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INTERNATIONAL ECONOMIC RELATIONS

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USSR WORLD TRADE

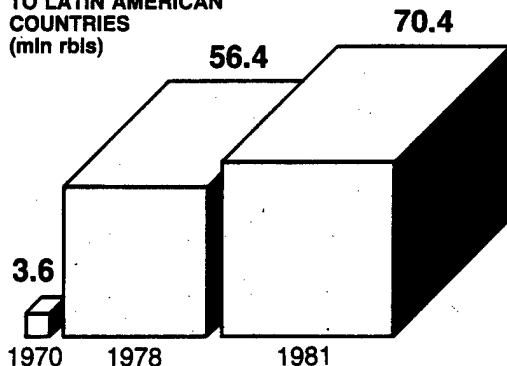
MACHINERY EXPORTS TO LATIN AMERICA VIEWED

Moscow SOVIET EXPORT in English No 4, 1982 pp 32-35

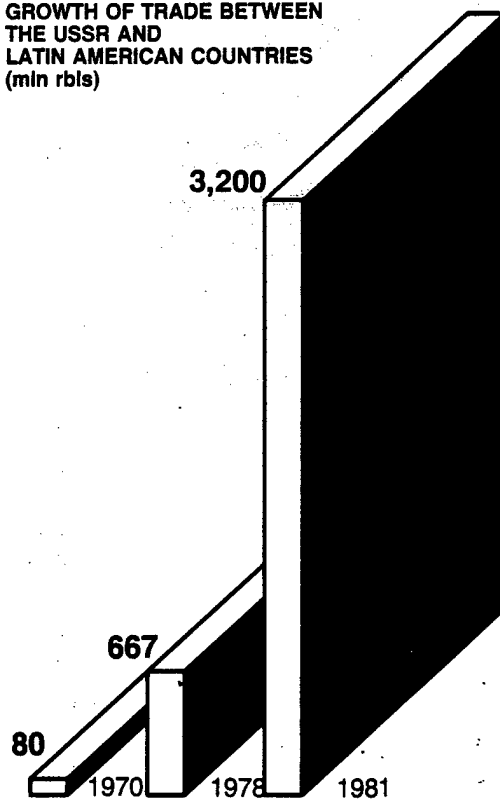
[Article by N.V. Zinovyev, head of Department for Trade with American Countries, Ministry of Foreign Trade of the USSR: "Soviet Export of Machinery and Equipment to Latin American Countries on the Increase"]

[Text] **S**oviet trade and economic co-operation with the developing countries of Latin America showed a marked increase in scope in the second half of the seventies. At present, the USSR has commercial relations with 20 countries of that region. In 1981, the volume of this trade topped 3.2 thousand million roubles, or 40 times the 1970 figure. Also noteworthy is the fact that in 1981 the share of Latin American countries in the USSR's trade with all the developing countries grew to 20% as against 6.6% in

GROWTH OF EXPORT OF MACHINES AND EQUIPMENT FROM THE USSR TO LATIN AMERICAN COUNTRIES
(mln rbls)



GROWTH OF TRADE BETWEEN THE USSR AND LATIN AMERICAN COUNTRIES
(mln rbls)



1979, with Argentina emerging as our first commercial partner.

Many new trade agreements were signed. For instance, a long-term agreement was concluded with Argentina for the delivery in 1980—1985 of grain and soy beans and an agreement for meat deliveries to our country. We entered into a number of agreements with Nicaragua—the first trade agreement, a protocol on the exchange of trade missions, a protocol on the deliveries of cotton, raw sugar and coffee to the USSR in 1981—1985. The first trade agreement was concluded with Grenada which provides, in particular, for an exchange of trade missions between our two countries. Besides, a protocol was signed on the deliveries of Soviet machines and equipment to Grenada.

Sessions of Soviet-Argentine, Soviet-Colombian, Soviet-Mexican, Soviet-Brazilian, Soviet-Peruvian and Soviet-Ecuadorian mixed intergovernmental commissions were held.

The export of Soviet machinery and equipment is showing an upward trend, which is an important feature of our trade with Latin American countries. In 1981, we sold them 70.4 million roubles worth of these goods. Most of the exports went to the public sector. Over the past few years Soviet equipment has been winning over more and more private buyers as well.

The range of the machines and equipment the USSR exports to Latin American countries includes power, oil refining, mining, ore-dressing, electrical engineering, hoisting and transport, pump and compressor, textile, printing, air-drome and shipboard equipment. Soviet foreign trade organisations also sell to Latin America machine tools and wood-working machines, tools, bearings, trucks and cars, tractors, trolleybuses, buses, optical and electrical measuring

instruments, clocks and watches, cameras, medicines, fertilizers, chemicals and other goods.

We sold more than 30 million roubles' worth of goods to **Argentina** in 1981. The total worth of Soviet equipment deliveries to that country over the past five years topped 90 million roubles.

At present, we are completing the deliveries of about 56 million roubles' worth of equipment for the Argentine-Uruguayan Salto Grande hydroelectric station (14 generating sets with a total output capacity of 1.9 million kW). Under another contract, worth 44 million roubles, we are to deliver to Argentina three generating sets of 310 MW each, intended for two thermal power stations. We render Argentina technical assistance in designing the Parana Medio hydroproject.

In 1980, a contract was signed for the export of five rolling mills from the USSR. Argentina has also received Soviet trolleybuses, tractors, looms, motorcycles and mopeds. Under a four year contract between V/O SOJUZ-CHIMEXPORT and Argentina's Mebomar, 5,700 tons of sodium bichromate were exported to that country in 1981.

In the Final Act of the Sixth Session of the mixed Soviet-Argentine Intergovernmental Commission (April, 1982), the Argentine delegation noted its government's intention to make direct purchases of machines, equipment and other Soviet goods to a considerable sum.

In 1981, Soviet export to **Brazil** was worth 16.3 million roubles. We delivered to that country machines and equipment, including machine tools, pressing and forging equipment, bearings, as well as fertilizers, medicines, clocks and watches and other goods. We have completed the

fulfilment of a contract worth over 45 million roubles for the delivery of six generating sets to the Sobradinho hydro-electric station. In 1981, a long-term Soviet-Brazilian agreement was signed on the mutual deliveries of raw materials, semi-finished goods, machines, equipment and consumer goods.

In 1981, the USSR exported 3.3 million roubles' worth of goods to **Colombia**, mostly machines and equipment. We exported to Colombia UAZ-469B trucks, UAZ-452D truck chassis, car spares, electrical measuring instruments, machine tools, bearings, carbamide, medicines. Colombia was the first country in Latin America to start using Soviet trolleybuses: they appeared in the streets of Bogota ten years ago.

Soviet export to **Bolivia** was worth 9.0 million roubles. We supplied equipment for the mining, non-ferrous metallurgy and power industries, hoisting and transport equipment, machine tools, motor vehicles and other goods.

In 1981, Mexican firms and organisations purchased 4.0 million roubles' worth of Soviet goods.

Under a ten-year agreement with the Siden state organisation, V/O TRAKTOROEXPORT supplies Mexico with units and components for the T-25 farm tractors assembled in Sahagun. These tractors known locally as Siden number about 4,000. The firm ordered another 2,300 knocked-down tractors for 1981—1982. Under a Mexican government decision, the Siden tractors are to meet the country's needs for machines of this class.

Soviet turbodrills, supplied by V/O MACHINOEXPORT to the Pemex state oil company, have won a high reputation in Mexico. The deliveries of textile industry equipment are growing.

And Soviet machine tools have a ready market: there are about 4,000 of them in the country already. Also, Mexico has purchased from V/O LICENSINTORG licences for the methods of, and installations for, the vacuum and centrifugal refining of tin.

In 1981, we sold 12.5 million roubles' worth of machine tools, tractors, VAZ-2121 cars, as well as tractor and aircraft spares to Peru.

Our export to **Panama**, worth a total of 26.1 million roubles, included consumer goods delivered to the free zone of Port Colon, among them cars, clocks and watches, watch movements and cameras. Panama's International Ciers S. A. company has set up a central stock of Soviet car spares in the free zone. In 1981 alone it purchased five million clocks and watches, watch movements from V/O TECHNOINTORG and organised their servicing.

The International Ciers supplied a substantial proportion of Panama-imported Soviet goods to other Latin American countries including those with no diplomatic and trade relations with the USSR as yet: to many countries in the Caribbean, above all.

The Soviet Union supplied 1.3 million roubles' worth of goods to **Ecuador**: motor vehicles (chiefly trucks) and spares for them, as well as optical instruments, certain chemicals, etc.

To **Costa Rica**, we exported 0.5 million roubles' worth of cars, window pane, optical instruments, and a number of other goods in 1981.

Soviet goods were also delivered to **Guyana, Venezuela and Jamaica**.

USSR-CEMA TRADE

SOVIET UNION PLAYS DOMINANT ROLE IN INTRA-CEMA TRADE

East Berlin AW--DDR AUSSENWIRTSCHAFT in German 15 Dec 82 pp 1-2

[Text] The Soviet Union is one of the richest countries in the world. It has almost 90 percent of known energy resources of the CEMA countries, including approximately 90 percent of the bituminous coal, 72 percent of the lignite, almost 80 percent of the petroleum, and 94 percent of the hydraulic power resources.

The Soviet Union is responsible for more than two-thirds of the industrial and agricultural production of the CEMA countries. It has 80 percent of the scientific-technical potential of the socialist community of states.

Approximately 40 percent of foreign trade of the socialist community of states is carried out by the Soviet Union. The CEMA countries' share in Soviet foreign trade amounts to approximately 50 percent. On the other hand, the USSR is in first place in the foreign trade of the individual CEMA nations.

The USSR satisfies almost all of the import requirements of the CEMA countries in petroleum, pig iron, 80 to 90 percent of the requirements in iron ore and lumber, 75 percent of the requirements in petroleum products, phosphorous fertilizers and rolling products, and more than 60 percent of bituminous coal, cotton and manganese ore.

Specialization and cooperation in production, especially in mechanical engineering, further the mutual exchange of machines and equipment.

The USSR increased its export of machines and installations to CEMA countries from 139 million rubles in 1950 to 5.6 billion in 1981. It satisfied approximately one-third of its brother countries' import requirements in machines and equipment. For example, in 1976/80 the GDR received more than 20,000 machine tools and lumber machinery, more than 9,000 heavy trucks, almost 30,000 tractors, and more than 3,000 excavators and bulldozers. The People's Republic of Bulgaria gets 55 percent of its imported machines and equipment from the USSR. Almost all of Cuba's requirements in motor vehicles, machine tools and agricultural machines are met by imports from the USSR.

In the 5-year plan 1981/85, the Soviet machine export to the CEMA countries will climb to 35 billion rubles, that is 40 percent more than during 1976/80.

In accordance with their long-term trade agreement, the Soviet Union will increase in 1985--as compared to 1980--its export of machine tools by about 37 percent, of energy equipment by 80 percent, of electro-technical equipment by 110 percent, of pulley and transport equipment by 38 percent, and of roller bearings by 67 percent.

In accordance with the agreements in effect until January 1, 1982, a total of 2,718 projects, among them 1,483 industrial concerns, are springing up with the technical support of the Soviet Union. So far 1,593 of these have been completed, among them 934 industrial concerns. Leading branches are the electrical energy, metallurgy, petroleum processing, chemical and construction industry as well as engineering. Since 1971, 80 percent of the power plants built in the GDR received Soviet equipment, among them the Nord atomic power plant and the Boxberg power plant. In Vietnam, 194 projects, including 101 industrial concerns, have been built so far.

On the basis of the Mongolian-Soviet copper and molybdenum combine, which is one of the ten largest of its kind in the world, Erdenet, in close cooperation with the USSR, is becoming the most important industrial center of the Mongolian People's Republic.

For example, enterprises in the CEMA countries, which had been equipped with Soviet installations, produced in 1980 136 billion kWh of electrical energy, that is 31 percent of the energy production of the partner nations, 11.9 million tons of iron (32 percent), 2.2 million tons of rolled products, and 15.8 million tons of steel (25 percent), and processed 34.3 million tons of petroleum.

The CEMA countries cover more than two-thirds of the Soviet Union's import requirements in machines and equipment. Shipments increased from 183 million rubles in 1950 to about 10.8 billion in 1981.

In the past five-year plan, shipments of CEMA countries covered the requirements of the Soviet merchant fleet for new ships by about 40 percent, for railroad wagons by 35 percent, and buses by 12 percent.

During 1976/80, the CEMA countries delivered approximately 1,000 complete installations for the metallurgical, petrochemical, light industry and food supply industry, as well as other industrial branches, transportation and communication systems.

In 1980, the GDR supplied 65 percent of the Soviet Union's import needs in equipment for the petroleum processing industry, 28 percent for machine tools and 98 percent of railroad wagons. During 1976/80, Czechoslovakia delivered equipment for 15 ammonia plants and six factories for the production of carbamid. In 1981 it delivered 57 percent of the Soviet Union's textile imports. The People's Republic of Bulgaria supplied in 1981 about 21 percent of the Soviet import of electrotechnical products, including more than 75 percent of the electrical motors. During 1976/80, the Soviet Union received from the People's Republic of Hungary about 32,000 buses, which covered its requirements

in this product almost entirely. Electro-technical equipment from Poland in 1981 constituted almost one-fourth of Soviet imports, more than 40 percent of the drilling equipment imported in 1981 came from Rumania.

During 1981/85, the Soviet Union will receive machines and equipment valued at more than 60 billion rubles from CEMA countries. The future exchange of goods between the USSR and the other CEMA countries is characterized more and more by the increasing socialist economic integration on the basis of the CEMA complex program, especially through the bilateral long-term programs of specialization and cooperation in production and the long-term objectives of cooperation within CEMA.

The construction of industrial complexes through joint efforts of interested CEMA countries has been a success. In this way, large projects are constructed on Soviet territory, such as the Sojus petroleum pipeline, the Kijembaj asbestos combine, the Ust-Ilim cellulose combine, expanded production of ferruginous raw materials and ferrous alloys, the 750-kV-line from Winiza to Albertirsa, and the plant in Nowowolysnk where equipment for the electro-technical industry is produced. These projects not only improve the supply to the Soviet economy of important raw materials, but they also assure participating countries long-term commitments. They receive from these plants more than 200,000 tons of bleached sulphate cellulose, about 120,000 tons of asbestos, more than 5.5 million tons of ferruginous raw materials, about 200,000 tons of ferrous alloys, 15.5 billion m³ of petroleum and 6 billion kWh of electrical energy annually.

During this 5-year plan period, the Chmelnizki nuclear power plant, the 750-kV-line from Chmelnizki to Rzeszow, and the Mosyr feed yeast works, among others, are being built in the Soviet Union through the joint efforts of interested CEMA countries. In 1984, delivery of electrical energy and feed yeast will begin to those CEMA countries that participated in the construction. Czechoslovakia alone will receive 3.6 billion kWh of electrical energy from the Chmelnizki atomic power plant.

Under the multilateral agreement signed in 1979, the USSR is increasing the production of high-energy-yield chemical products (ammonia, methanol, polyethylene) and their shipments to the other CEMA countries in exchange for low-tonnage and lower-energy-yield products from these countries (plant preservatives, dye-stuffs, light industry). The reciprocal shipments will exceed 85.1 billion rubles during this 5-year period.

The scientific-technical cooperation with the USSR is increasing. At present, almost 3,000 research and development organizations participate in the multilateral and bilateral cooperation of CEMA countries. 37 Soviet research institutes function as part of CEMA as coordination centers of multilateral scientific-technical cooperation for selected problems. There are 63 such centers in all CEMA countries.

More than 400 joint patents and more than 300 new developments are among the results of the scientific-technical cooperation between the USSR and the GDR.

The universal cooperation between all CEMA countries, especially the cooperation with the USSR, has strengthened the economic potential of each individual country as well as that of the entire socialist community of states. The CEMA countries, in which 10 percent of the world's population lives, have at present about 33 percent of the world's industrial production, including 21 percent of electrical energy production, more than 31 percent of coal mining (converted into units of fuel), almost 21 percent of the petroleum production, more than 30 percent of steel production, 33 percent of the mechanical engineering production, as well as approximately one-third of the chemical production.

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CSO: 1826/13

USSR-CEMA TRADE

CEMA INTERNATIONAL PRODUCTION SPECIALIZATION, COOPERATION

Kiev EKONOMIKA SOVETSKOY UKRAINY in Russian No 9, Sep 82 pp 60-65

[Article by A. Leznik, candidate in economic sciences (Moscow): "Some Ways of Deepening the International Production Specialization and Cooperation of the CEMA Countries"]

[Text] Modern machine building in the European CEMA countries is one of the leading sectors of industry both with regard to its weight in social production and to its influence on the development of all of its spheres. Thanks to its high growth rates, this branch has occupied a leading place in the overall volume of industrial production; its share has constantly been growing and by 1979 came to the following percentages of gross output:¹

Years	Peoples' Re- public of Bulgaria	Hungarian Peoples' Republic	GDR	Polish Peoples' Republic	Socialist Republic of Romania	USSR	Czecho- slovakian Socialist Republic
1960 . . .	12.3	25.1	24.5	15.9	24.3	20.1	24.8
1979 . . .	27.9	31.1	33.8	34.8	34.3	26.9	29.9

The high machine building production growth rates in the CEMA countries were to a large extent historically determined by the past low level of the development of this branch in a number of countries and the necessity for rapidly creating a developed technical base for industry and agriculture. Today multi-branch machine building production complexes have developed in the European CEMA countries. In essence, the machine building of the Peoples' Republic of Bulgaria was created anew with its profile branches and productions being agricultural and hoisting and transportation machine building, electrical engineering and electronics, equipment for the food industry, and others. In the machine building of the Hungarian Peoples' Republic machine tool construction and instrument making, and the production of bearings and equipment for the extracting industry were created anew. Hungarian machine building's profile is to a large extent determined by the production of buses, certain types of equipment for the food industry, light equipment, and electronics. The GDR has seen the appearance of chemical, energy, and agricultural machine building, the production of metal-cutting machine tools and of equipment for the printing, light, and textile

industries, computer equipment, and others. The Polish Peoples' Republic has witnessed the creation of modern machine building which occupies a prominent place in the world, a motor vehicle and electric engineering industry, construction and road machine building, the production of machinery and equipment for certain branches of the food industry, machine tool building and a number of other branches. The machine building industry of the Socialist Republic of Romania has been added to by such branches as machine building for the petroleum industry and agriculture, and the active development of tractor construction. Despite a relatively developed machine building complex in the past, in the Czechoslovakian Socialist Republic the shipbuilding and ball-bearing industries have been created anew.

There has also been a change in the structure of machine building in which a dominating position is now occupied by the branches which are developing under the direct influence of scientific and technological progress. They are primarily electrical engineering, modern communications media, electronics, control and measuring equipment, and others. Along with the progressive structural changes in the machine building of the CEMA countries, its material and technical base is being reoutfitted in a planned manner. The plans for the development of the machine building of the European CEMA countries during the current 5-year plan show that in order to raise the technical level of social production and to ensure the dynamic and efficient development of their economies the countries have mapped out high development rates for this branch and, above all, for the production of the means of production. In the future it is planned to have the most dynamic development for the production of that output of machine building which is of especial importance for raising the technical level of the economy and providing the population with industrial durable goods, and also for deepening cooperation and developing international production specialization and cooperation which are among the most important factors for increasing the efficiency of social production on the basis of an acceleration of scientific and technological progress.

The development of international specialization and cooperation is connected with an improvement of the technical and economic level of production and an improvement of output quality and of labor productivity above all in the branches with large-series and mass production. For this reason international specialization has received an especially large development precisely in machine building. Of the 120 multilateral agreements of the CEMA countries on international specialization, 90 are accounted for by machine building, radio engineering, and electronics.²

The exchange of machine building output between the Soviet Union and the other CEMA countries is growing at especially rapid rates during the current 5-year plan. The expanding relations in the field of specialization and cooperation, and the constantly deepening integration of the machine building complexes of the USSR and the other European CEMA countries are providing a good basis for this. The high international specialization development rates in the CEMA countries is making it possible for them, among other things, to reduce the products lists of the machinery and equipment produced by them and to concentrate

the released resources on the development of other productions under more efficient conditions. Thus, for example, the realization of an agreement in the field of the production of metal-cutting machine tools and forging and pressing equipment which was concluded between the USSR and the Czechoslovakian Socialist Republic made it possible to reduce the assortment of the metal-cutting tools produced in the Czechoslovakian Socialist Republic by 15 percent compared to 1975, and, on this basis, to increase by an average of 17 percent per machine tool the amount of scientific research work and investment capital assigned for technical development. Parallel with this, there appeared the possibility of increasing the scale of the output being produced by 10 percent. In the future the Czechoslovakian Socialist Republic intends to limit or even completely halt the production of equipment for petroleum and gas extraction, of grain combines, caterpillar tractors, bulldozers, subway cars, and certain kinds of agricultural and textile machines. Bulgaria and Hungary have already given up their own production of passenger cars, overall technological lines for the production of sulphuric, phosphorus, and nitrogen acids, and of equipment for drilling hydrological wells and producing paper and cardboard. The GDR has reduced the products list of the agricultural machinery produced by it by 2.5 times and has begun to import them, at the same time increasing the production and exportation of other machinery.³

International production cooperation which is developing on the basis of part and unit production specialization is becoming especially important at the present time. Cooperation makes it possible for the countries to develop a limited circle of machine building branches on a high technical level with minimum costs, a fact which is the result of the concentration of production at specialized enterprises with optimal production volumes. It is not accidental that the efforts of the CEMA countries are being increasingly concentrated in this direction of cooperation. Thus, in the Czechoslovakian Socialist Republic, a country with a highly developed machine building, the number of agreements on production cooperation now represents more than one-third of the total number of long-term multilateral and bilateral agreements on the division of labor in general machine building. For example, within the framework of bilateral cooperation the Czechoslovakian Socialist Republic will produce and supply the GDR with individual units for agricultural machines and passenger cars, and the USSR with parts and units for the STB weaving machine tools. In its turn, the Czechoslovakian Socialist Republic will import truck rear axles from the Hungarian Peoples' Republic, and BD-200 weaving machine tools from the USSR.⁴

However, despite the indisputable successes which have been achieved by the CEMA countries in the development of international production specialization and cooperation, and despite the substantial increase in the number of agreements and in the amount of reciprocal deliveries of specialized output, this form of cooperation is still exercising an insufficient influence on increasing the efficiency of social production in the CEMA countries. The new demands which are being made by practice upon a further qualitative improvement of international production specialization and cooperation are connected above all with the necessity for strengthening the planning principles of cooperation

in the field of material production, for a more active inclusion of production association and enterprises in cooperation, and, as was pointed out at the 26th CPSU Congress, the development of direct relations between the ministries, associations, and enterprises of the CEMA countries. Speaking at the 35th sitting of a CEMA session, the Chairman of the USSR Council of Ministers N. A. Tikhonov noted: "We have worked a great deal to adjust the mechanism for managing integration on an inter-state level. Forms have arisen here which were not envisaged by the Overall Program. They include a coordinated plan of multilateral integration measures, and they include such a great and important matter as long-term special-purpose cooperation programs and a complex of agreements on their realization.

Considerably less has been done on the level of branch ministries and, especially, on the level of associations and enterprises. To draw production collectives not only into the fulfillment of integration decisions, but also into their development and adoption, and to develop initiative from below--this means to give an even greater scope to our interactions."⁵

In accordance with the regulation in effect in the USSR, cooperation in the field of science, technology, and international production specialization and cooperation is carried out by branch ministries and departments and, with their permission, by their subordinate organization, including production associations and enterprises.⁶ Many years of experience in the performance by branch ministries of work in the field of international production specialization and cooperation has shown that this has made it possible for them to join more actively and directly in the process of the international socialist division of labor, which is witnessed by the increase in the number of branch agreements on international production specialization and by the increase in the share of specialized output in the reciprocal commodity exchange of the CEMA countries.

At the same time, individual questions of cooperation are still not being resolved with sufficient efficiency on this level. It is essential to make use in its full entirety of the principle of democratic centralism in the planning of integration measures. Long-term conceptions, forecasts, and cooperation plans and programs in the field of material production have to be given to production associations and enterprises. Cooperation in the field of planning work in the form of the joint planning of individual types of productions would close the chain of the planning and coordination mechanism. It should be noted that the development of joint planning has been held back by certain difficulties of an organizational planning and economic character. We have in mind, above all, the insufficient development of direct relations between the industrial associations and enterprises of the cooperating countries. Without such relations it is practically impossible to establish close contacts between enterprises within the framework of the joint planning of individual types of productions. Without the participation of the immediate producer of the specialized output--the industrial enterprise--not a single question connected with the practical realization of production cooperation within a framework of joint planning can be resolved.

The fact that there are certain difficulties in the realization of joint planning does not mean that the use of this form of planning and coordination work by the CEMA countries is premature. From the very beginning joint planning was probably regarded, and is now still sometimes regarded as a special form of cooperation which contains an element of "supra-nationality." Hence, the attempts to search for every possible kind of roundabout way which have led in the end to endowing joint planning with some kind of special properties and to the assertion that it is able to develop exclusively within the framework of international economic associations. It is for this reason that there has arisen an excessive caution and all kinds of statements about the necessity for the creation of certain special conditions of an organizational and economic character before this form of cooperation could be more widely used. In our opinion, there is no need for this. Joint planning is quite able to successfully develop within the framework of the existing mechanism for the management of the cooperation of the CEMA countries. Only one thing is necessary--to change the approach to joint planning; it should be regarded as a component element of the entire system of joint planning work which is performed at the various levels of planning and economic management. Thus, for example, the necessity for solving the problem of supplying the interested CEMA countries with modern automated equipment systems for one or another branch of industry is established at consultations in the higher economic management agencies of these countries, and then a commission is issued to develop a corresponding long-term forecast and a cooperation program. Agreements are then arrived at on the concrete assignments in the field of production and foreign trade deliveries in the process of the coordination of economic plans, and, finally, a joint plan (program) is created on the level of the immediate output producers--the production associations and enterprises.

Of course, joint plans can also be worked out in variants in which production specialization is combined with its cooperation; that is, when the cooperating enterprises act in relation to one another as production cooperants. In those cases when production specialization is completed with output deliveries in a single direction the conclusion of ordinary international specialization agreements is sufficient.

The system of economic stimulation has to be directed first of all toward improving the quality of export output as a highly important factor in its effective sale on the foreign market. In fact, however, it is basically plan fulfillment by products lists and volumes and punctual shipment for export that is stimulated. As for the qualitative indicators, stimulation does not exercise the necessary influence on them, and the most important thing here is not so much to increase the normatives for monetary allotments to the bonus fund and for currency allotments to the production development fund as it is to create the objective conditions which motivate enterprises--the producers of export output--to direct their efforts toward improving the quality of export output and reducing its production costs.

Consequently, it is essential to devote the basic attention in the planning of export production, including international specialization, and its economic

stimulation not to the quantitative indicators of plan fulfillment by commodity turnover with the CEMA countries (although in themselves these indicators are of definite importance and the necessary attention will obviously continue to be given to them), but to the qualitative indicators which characterize the depths of cooperation and the degree of the mastery of technological progress and, in the final analysis, its economic efficiency.

A large and responsible role is assigned here both to the industrial producer enterprises of the export output and to the foreign trade associations which sell this output. Acting as middle men between the industrial enterprises and their foreign partners, the all-union cost accounting foreign trade associations orient themselves chiefly toward the fulfillment of the commodity turnover plan and the budgetary effectiveness of exports (the relationship of the net currency proceeds from exporting a good to industry's release price); the latter is used in the current operations of the foreign trade associations and characterizes their cost accounting relations with the state budget. The indicator of the budgetary effectiveness of the exports is, in this way, a criterion for the expediency of the given export operation from the point of view of the economy's interest. As for the export output industrial producer enterprises, in essence they perform the functions of a contractor and are concerned that the production of output for export (including within the framework of production specialization and cooperation) be no less profitable than production for the domestic market, since the profitability indicator which is calculated as the relationship of profits from the sale of output to a foreign trade association to the cost of the fixed and circulating capital which participates in the production of the export output is for them a criterion of the economic effectiveness of the production of output for export.

However, insofar as the release price at which the enterprise sells output to the foreign trade association does not depend upon the amount of currency receipts, the indicators of the profitability of the production of export output and of the budgetary effectiveness of exports are not connected to one another. This leads, on the one hand, to a gap between the cost accounting interests of foreign trade and industry, and, on the other, to a distortion of the economic effectiveness of international production specialization and cooperation with regard to exports of specialized output and of all export production as a whole. As a result, it is advantageous for certain enterprises to produce precisely that output whose exportation is not effective for the economy, and the economic effectiveness of international specialization which is calculated at the stage of the validation of an agreement, subsequently, that is, at the stage of the sale of the specialized output to a foreign buyer "is lost" in the general mass of effect which is calculated according to total trade operations.

Consequently, a practical definition of the final economic effectiveness of one or another variant of international production specialization or of all of them combined is not possible, since at the concluding stage of its realization international specialization "is dissolved" in overall foreign trade commodity exchange.

Thus, the existing system of material incentives for the high quality production and punctual shipment of export output is in need of serious improvement. What is involved is that one of the basic directives of the 25th CPSU Congress which later was reflected in the July (1979) Decree of the CPSU Central Committee and USSR Council of Ministers "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and the Quality of Work," namely, an orientation in planning work toward final economic results should also be applied to foreign economic relations. Without attempting to map out the ways toward a concrete solution of the problem of the economic stimulation of international specialization and cooperation and of export production as a whole, the writer believes it to be timely and appropriate to pose the question of the necessity for improving the existing system of the economic stimulation of export output production with the inclusion in it of international production specialization cooperation. The point of departure here should become a maximum drawing together of the interests of foreign trade and industry and the orientation of their work toward final economic results. In this way, the final results of a foreign trade operation in a given variant of international production specialization calculated as the difference between the economy's expenditures for the production of export output and the cost of import output should inevitably influence the cost accounting activity of both the industrial enterprise and the foreign trade association. The indicator of the profitability of international specialization (in export production) calculated as the relationship of the profits (losses) from an export-import operation in a given specialization variant, plus profits from production concentration to the full economic expenditures for the production of specialized export output and the cost of import output could be adopted as the criterion of economic stimulation:⁷

$$P_{MCKP} = \frac{\pi_{\text{э}} + \pi_{\text{и}} + \pi_{\text{к}}}{\text{з}_{\text{э}} + \text{з}_{\text{и}}}$$

where: P_{MCKP} --is the profitability of international production specialization and cooperation (in export production); $\pi_{\text{э}}$ --are the profits (losses) from exporting specialized output; $\pi_{\text{и}}$ --are the profits (losses) from importing specialized output; $\pi_{\text{к}}$ --are the profits from specialized output production concentration; $\text{з}_{\text{э}}$ --are the expenditures for the production of specialized output; $\text{з}_{\text{и}}$ --are the expenditures for importing or the cost of importing specialized output.

The indicator of the profitability of international production specialization will be, in this way, an orientation point for the use of a flexible system for its economic stimulation. The greater the profitability of international production specialization (its lower level may be equal to the economy's average normative for the effectiveness of capital investments), the more tangible the incentives should be.

However, all of this does not mean that decisions which are made on international specialization have to be based on a limit profitability normative. Every concrete variant of international specialization has its own special characteristics from the point of view of the specific features of output, the degree of its

scarcity, and the possibility of obtaining greater profits in the future on the basis of the productive use of specialized import output, and so forth.

Thus, as the basic subjects of foreign trade relations, all-union cost accounting foreign trade associations have an interest in obtaining additional allotments for their incentives fund and will be stimulated to seek possibilities for more profitable exports and imports by means of negotiating better prices for themselves. Industrial enterprises, in their turn, will be stimulated to seek reserves for decreasing expenditures and improving the quality of export output and for a more efficient use of import output, which will make it possible for them to obtain greater allotments to their incentives fund. In this connection, it should be noted that in most of the CEMA countries, despite certain differences in the methods of the economic stimulation of export production, there is a clear endeavour to bring the interests of industry and foreign trade as close together as possible and to achieve on this basis the greatest economic effectiveness. The receipt of material rewards for the production of export output in these countries has been made directly dependent upon the final amount of currency receipts, that is, upon the economic effectiveness of export production.

FOOTNOTES

1. "Statistical Yearbook of the Member Countries of the Council for Mutual Economic Assistance," Moscow, "Statistika," 1980, p 79.
2. PRAVDA, 28 April 1980.
3. IZVESTIYA AKADEMII NAUK SSSR. SERIYA EKONOMICHSKAYA, No 2, 1981, p 118.
4. EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 1, 1980, p 58.
5. PRAVDA, 3 July 1981.
6. "Collection of Decrees of the USSR," No 21, Article 122, 1981, p 550.
7. In order to perform the above calculations it is necessary to use the presently operating methodology for calculating the economic effectiveness of foreign economic relations which has been approved by Gosplan USSR.

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USSR-CEMA TRADE

SCIENTIFIC, TECHNICAL COOPERATION

Kiev EKONOMIKA SOVETSKOY UKRAINY in Russian No 9, Sep 82 pp 65-69

[Article by A. Filipenko, candidate in economic sciences: "Scientific and Technical Cooperation in the International Economic Complex of the CEMA Member Countries"]

[Text] The deepening of the reciprocal economic relations of the CEMA member countries and socialist economic integration are leading to the gradual formation of an international economic structure--an international socialist economic complex. The formation of this international economic complex is taking place by means of a broadening of the limits of socialist production and labor cooperation. At the same time, socialist labor cooperation is acquiring a number of qualitatively new features and characteristics as a result of economic integration and the scientific and technological revolution. One of these special characteristics consists in the fact that scientific and technical activity is directly contiguous to production, comprising its "zero" subdivision and thereby influencing the process of its cooperation.¹

Historically, the internationalization of economic life has been developing in two forms: an international division of labor, and international cooperation. At the lower levels of the internationalization of production and of all of economic life an international division of labor and the specialization of individual countries within the framework of a general and partial division of labor was the dominant form of its development. At the contemporary, integrational stage preferential development is being received by a unitary division of labor which presupposes stable cooperation on the micro- and macro-levels.²

Thus, under present conditions international production and labor cooperation, an individual case of which is scientific and technical cooperation, is the decisive aspect in the development of the economic relations of the CEMA countries.

In the Accountability Report of the CPSU Central Committee to the 26th Party Congress L. I. Brezhnev emphasized that " . . . the CPSU and the other fraternal parties are adopting a course aimed at turning the forthcoming two 5-year plans into a period of intensive production and scientific and technical cooperation between the socialist countries."

The objective necessity for deepening scientific and technical cooperation in the socialist commonwealth springs from a number of factors. The first thing that should be mentioned is the scope and character of the modern scientific and technological revolution. The extensive coverage of the scientific and technological revolution and its overall character which consists in the fact that absolutely all branches of knowledge and spheres of social production have been drawn into this process does not make it possible for individual, even the very largest, states (not to mention medium and small ones) to conduct scientific research and technical development work along all of the directions of a basic and applied character.³ By virtue of their specific nature, many branches of science require the organization of research on an inter-state scale. They include, for example, geodesics, oceanography, meteorology, astronomy, and space research. On the other hand, the performance of certain types of research and development work require the concentration of enormous resources (the creation of accelerators, radio telescopes, and space apparatus), and for this reason the division of expenditures among several countries is economically justified and highly expedient.⁴

Along with these very important reasons which determine the necessity for the development of scientific and technical cooperation on an international scale, one should also mention the fact that at preceding stages, as a consequence of the construction in the European CEMA countries of the foundations of socialism and of its material and technical base, a corresponding scientific research base was also created. It has been made up of scientific research academy and branch institutes, VUZ centers, and planning and designing organizations. Cadres were trained and, what is especially important to take note of, there occurred a certain convergence of the levels of scientific and technical development of the socialist commonwealth countries.

Another important reason for the deepening of international scientific and technical cooperation has been the exhaustion to a substantial extent of extensive sources and a shift by most countries to intensive factors of economic growth, as a result of which there has been an immeasurable growth of the role of scientific and technological progress. This tendency has been emphasized at practically all of the recent congresses of the communist and workers' parties of the European CEMA countries. The point was made with especial force at the 26th CPSU Congress. "The conditions in which the economy will develop in the 1980s," L. I. Brezhnev noted, "make an acceleration of scientific and technological progress even more urgent." Current practice shows that only that kind of development of a socialist economy can be optimal which is based on the world level of achievement in science and technology through an extensive unification of efforts and an optimal division of labor within CEMA. As a result of the development of the division of labor at preceding stages at the present time a definite specialization of the countries has already been developing which consists in the fact that in Poland, for example, primacy is given to research in the field of mathematics, in Hungary--chemical biology, in the GDR--optics, in Romania--petroleum, natural gas, and salt chemistry, Bulgaria--anti-pressure casting, and so forth.⁵

A deepening of scientific and technical cooperation also springs from the necessity for the pursuit by the socialist commonwealth countries of a coordinated scientific and technical policy within their reciprocal cooperation and with respect to third countries. An analysis of the practice of the development of patent and license trade between the CEMA countries and the developed capitalist states shows that far from all of the possibilities connected with increasing the effectiveness of scientific and technical relations are being used here. The lack of coordination in scientific and technical policy results in the fact that the CEMA countries buy the very same licenses from Western companies, and frequently the documentation which is purchased does not accord with the best world models with respect to the technical and economic parameters of output and to production processes.

Scientific and technical cooperation as a socio-economic process has various concrete forms. These forms reflect the evolution of scientific and technical cooperation within CEMA from its simple forms to more complex ones.⁶ The simplest forms of cooperation in the field of science and technology are connected with an exchange of scientific and technical achievements, specialists, scientific production experience, and so forth. Exchange and foreign trade were characteristic for the initial stage of the development of the world socialist economy. At the following stage cooperation based on a division of labor was developed; that is, on a specialization of individual socialist countries in one or another branch of production, science, or technology. In the scientific and technical sphere this was expressed in a gradual movement from an exchange of research results to joint research on the basis of the creation of the appropriate institutional agencies. An extensive development was received by the coordination of scientific and technical research on the basis of working plans, agreements, and treaties, which gave rise to the necessity for the creation of coordination centers for the operational direction of scientific research work. For example, the coordination center of the CEMA countries on the problem of "The Development of the Scientific Bases and of New Technological Processes for the Welding, Smelting, and Thermal Cutting of Various Materials and Alloys in Order to Obtain Welded Structures and Create Effective Welded Materials and Equipment" is the Institute of Electric Welding imeni Y. O. Paton of the Ukrainian SSR Academy of Sciences. On the basis of a special agreement signed in 1972 it coordinates the efforts of more than 100 national organizations from the Peoples' Republic of Bulgaria, Hungarian Peoples' Republic, GDR, Polish Peoples' Republic, Socialist Republic of Romania, USSR, Czechoslovakian Socialist Republic, and Socialist Federated Republic of Yugoslavia.⁷

Within this form of cooperation there was also a development of international collectives of scientists which were created to solve concrete problems in a specific branch of science and technology. These scientific research collectives are of a temporary character and after the performance of their task they cease their activity. In 1979, on the basis of the Central Institute of Physical Research of the Hungarian Peoples' Republic, a temporary international collective was created whose task was to perform scientific research and planning and designing work on the creation and mastery of energy blocks with water-cooled reactors of the VVER type. This problem was included in

the Coordinated Plan of Multilateral Integration Measures of the CEMA Member Countries for the Years 1976-1980. As a result of joint research by USSR and GDR specialists a system of cluster regulation of reactors of the VVER-1000 type has been developed which makes it possible to reduce the weight of the body by 25 percent and increase operational reliability. On the other hand, a shift to the construction of atomic electric power stations with a water-cooled reactor with the capacity of one million kilowatts, instead of reactors with capacities of 440,000 kilowatts, makes it possible to reduce the cost of producing electric energy by 10-15 percent.⁸

The third form of scientific and technical cooperation corresponds to the greatest extent to the current integration stage of the economic cooperation of the CEMA countries. This period is most characterized by a shift in the center of gravity of economic relations into the sphere of production, and a shift to overall forms of cooperation in economics, science, and technology.

There has been a clear tendency toward a gradual formation of a single reproduction process in the CEMA countries and, on this basis, of an international economic complex of these states. The cooperation form which corresponds to this period may be defined as a reproduction form which presupposes the solution through joint efforts of scientific and technical and production problems, output sales, and so forth.⁹ This type of cooperation is most fully embodied in the international research collectives and scientific production organizations in which material, labor, and financial resources are amalgamated. At the present time and quantitatively speaking, the reproduction form of cooperation occupies the smallest proportion;¹⁰ however, in our opinion, it is the most auspicious and accords to the greatest degree with the requirements of the integration stage of the cooperation of the CEMA countries.

The aggregate of the above forms of scientific and technical cooperation found a reflection in the Summary Plan for CEMA Country Cooperation in scientific and technical research for the years 1976-1980 which included 290 problems, 71 topics, and 342 assignments. Around 3,000 scientific research and planning and designing organizations of the CEMA countries participated in the work to realize this plan.¹¹ A most important distinguishing characteristic of this plan was the shift from the accomplishment on a joint basis of individual topics to a study of overall problems. For example, the CEMA countries jointly adopted the "Program for Scientific and Technical Cooperation by the CEMA Countries in the Solution of Fuel and Energy Problems for the Years 1976-1980 and for a More Distant Period (To the Year 1990)" within whose framework a solution is envisaged for the most important problems of the fuel and energy complex, for example, the creation of auspicious equipment for the mastery of new energy sources, of new methods for its transformation, and of new means of transmitting electric energy. The program includes 45 problems in whose solution 12 CEMA agencies, 6 coordination centers, and the international economic organization "InterELEKTRO" are engaged.¹² The "General Full-Scale Program of Cooperation by the CEMA Countries and the Socialist Federated Republic of Yugoslavia for the Period Until 1980 in the Field of the Protection and Improvement of the Environment and the Connected Rational Use of Resources" was also marked by

an overall character. On the basis of this program an improved method of absorbing fluoride gases in the production of mineral fertilizers was introduced in the USSR which yields an economic effect of around 900,000 rubles a year for a single plant.¹³

The decisions of the recent sessions of the CEMA have mapped out broad prospects for deepening scientific and technical relations. The first thing that should be mentioned is the development and adoption at the 32nd and 33rd sessions of the CEMA of long-term special-purpose cooperation programs designed for a stage-by-stage realization until the year 1990. These long-term programs concern the key branches of the economies of the CEMA countries which play a decisive role in maintaining stable economic growth rates which ensure an optimal proportionality both within the individual countries and within the socialist commonwealth as a whole, and which promote an acceleration of scientific and technological progress and an increase in the efficiency of social production and of the quality of work. Paramount attention has been devoted to the branches of the fuel and energy and raw materials complexes, machine building, transportation, agriculture, and the food industry, and also to the branches which produce consumer goods in great demand.

Another important direction of a long-term character was the conclusion during 1976-1980 of bilateral international production specialization and cooperation programs between the USSR and a number of CEMA countries: the People's Republic of Bulgaria, the Hungarian People's Republic, the GDR, the Polish People's Republic, the Socialist Republic of Romania, and the Czechoslovakian Socialist Republic. Both of these major directions of economic cooperation have a corresponding scientific and technical support which is an organic part of them. Thus, at the 20th meeting of the CEMA Committee for Scientific and Technical Cooperation which took place in January 1979 13 basic directions and 182 highly important problems were adopted which will determine the content of the cooperation of the CEMA countries in the field of science and technology until 1990. Among these future directions the greatest attention is being devoted to the development of progressive technologies which will foster an important increase in the efficiency of the use of fuel and energy; to the introduction of new and the improvement of existing geological and geophysical methods and technical means of prospecting for petroleum and gas at great depths; the creation of new types of synthetic resins and plastics; the use of the latest technological processes for the production of protein, and the creation of new generations of unified instruments and production process automation equipment which accord with the increased demands of reliability; the development and introduction into production of semiconductor instruments, integrated microcircuits, optoelectronic instruments and devices, radio parts and components, and the designing and production of all-purpose computers; and the development of new and improvement of existing methods of preventive medicine and of the early diagnosis and treatment of the most widespread diseases--cardiovascular, cancer, infections, and others. The above-enumerated and other problems have been concentrated in a document approved by the CEMA Committee on Scientific and Technical Cooperation: "Basic Directions of the Scientific and Technical Cooperation of the CEMA Countries Until 1990 and the Technical and Economic Consequences Expected

on this Basis." Of 182 problems, 177 are directly concerned with long-term special-purpose cooperation programs.¹⁴

The solution of a difficult complex of scientific and technical problems within the international economic complex of the CEMA countries which is taking shape demands careful attention to the planning and management of scientific and technological progress on an international basis. The practice of cooperation has been enriched here by a definite experience. At the same time, a number of matters are in need of further improvement and require an agreed-upon decision by the national agencies of the individual states and international organizations and, above all, of the Council for Mutual Economic Assistance. As an analysis shows, the mechanism for the interaction of the CEMA countries has been adjusted more accurately at the stage of the performance of scientific research. A weak spot continues to be its introduction into production.

A paramount role belongs to the planning and coordination methods of managing scientific and technological progress in the sphere of the reciprocal cooperation of the CEMA countries. Extensive use is being made of reciprocal consultations on the basic issues of scientific and technical policy of a current and long-term character, at whose stage the needs and interests of the individual socialist states are clarified, their interest in obtaining or in the joint development of scientific and technological results is determined, and so forth. Reciprocal consultations comprise the initial element of the system of the joint planning work of the CEMA countries in the field of science and technology. During the course of these consultations the basic conceptions of the scientific and technological development of the socialist countries and of cooperation as a whole are determined, and priority directions are clarified with regard to the real possibilities which follow from available scientific and technical potentials and scientific and technical achievements, the existing experimental base, the availability of highly skilled cadres, and so forth.

The coordination of the 5-year economic plans and of the sections which concern science and technology is characterized by a higher degree of concretization. The results of coordination, as is known, are concluded by the signing of interstate agreements and treaties which acquire the force of law and are mandatory for execution by all of the structural subdivisions which participate in socialist economic integration. The legal agreement mechanism provides guarantees of the fulfillment of commitments from the point of view of the level of scientific and technical research, their results, quality, time periods, and so forth. Thus, a definite mechanism has been worked out on the international level which ensures the influx into a country of the necessary scientific and technical documentation obtained as a result of various forms of cooperation between the countries of the socialist commonwealth. But the introduction of the results which have been obtained depends upon the national systems for the planning and management of scientific and technological progress and is within the jurisdiction of the individual states.

At the same time, the joint planning work of the CEMA member countries now possesses the kinds of forms which presuppose the solution of scientific and technical problems along the entire "science-production" chain. This is achieved through

the joint planning by the interested countries of the development of individual branches or types of production, and also through the creation of international collectives of scientists which are given concrete assignments to obtain a definite scientific and technical result and to introduce it into production. A task not only of a scientific research but also of a practical character is accomplished by the international scientific production associations, laboratories, designer bureaus, and so forth.

As practice shows, the greatest results are achieved by the special-purpose program method of planning the solution of scientific and technical problems and introducing their results into production. On the basis of the special-purpose program method solutions were successfully found to the problem of creating metal-cutting machine tools with digital programmed controls, and an international system of "Ryad" computers, a series of scientific experiments in the "Interkosmos" program is being carried out, as are numerous scientific and technical development projects on a bilateral basis. A long-term program has now been worked out for cooperation by the interested CEMA countries in the field of scientific instrument making and research automation for the years 1981-1985. On the basis of this program, 30 items of new scientific instruments will be created, and more than 180 instruments and automation equipment units will be produced with the help of the specialization and cooperation of scientific research and development.¹⁵

Economic stimulation is an important lever for accelerating scientific and technological progress on a national and international scale, and it greatly strengthens planning and coordination methods. The decisions of the 30th meeting of the CEMA Ispolkom (1967) which initiated a gradual shift of the entire system of international socialist scientific and technical relations to a cost accounting basis were of fundamental importance. In accordance with these decisions, it was recommended that a shift be made from the free exchange of documentation and other scientific and technical results to a payment form on the basis of compensation for the expenditures connected with the performance of scientific and technical research. The stimulating character of this innovation concerns both partners. On the one hand, the material interest of exporters increased sharply. On the other hand, a country which had spent a certain part of its national income to purchase a scientific and technical result (in the past it used to receive it as assistance) is obliged to introduce it into production as rapidly as possible.

Along with this fundamental stimulus which has a global character, specialists have been proposing a number of additional economic levers which would promote an effective realization of the scientific and technical achievements obtained as a result of international cooperation. In particular, the opinion is being expressed that international forms of the economic stimulation of scientific and technological progress could also develop in the economic relations of the CEMA countries: international (inter-state) bonuses for outstanding scientific and technical achievement; international bonuses to the workers of scientific research institutes, designing bureaus, and other institutions and enterprises which carry out scientific research and experimental designing work on the basis

of special department and ministry funds to encourage work of an international significance; allotments to these institutions of a certain share of profits from the sale of scientific research and experimental designing work abroad; and foreign trade (export) prices for the results of scientific research and experimental work which provides its executors with net income.¹⁶

Consideration is also deserved by the proposal to create a special CEMA fund to finance very important scientific and technical research which is of paramount significance in accelerating scientific and technological progress and increasing the efficiency of social production.

Certain authors regard scientific and technical relations as the basic and central element of socialist economic integration.¹⁷ Without diminishing in the least the importance of international scientific and technical cooperation, it is necessary nevertheless to take a more realistic approach to determining the basic constitutive element of socialist integration and of the corresponding international economic complex of the CEMA countries. The basic criterion here has to be the Marxist-Leninist doctrine of the primacy of production, and of the interconnection and interdependence of the various spheres of social reproduction.¹⁸ On the other hand, it is essential to take account of the changed functions of science under present conditions, and of its integration with production.

It is more correct, obviously, to believe that production relations play a decisive role in the formation of the international economic structure, and that they comprise its nucleus and perform the function of a pivotal element in the integrated economic complex of the CEMA countries. Production relations which are connected with the development of international production specialization and cooperation, the joint construction and exploitation of production objects, and also production relations in international economic associations play a primary and basic role in the system of international socialist production relations. And to the extent that science finds an application in production and that it comprises one of its factors, to the same extent it, along with technology, forms the production sphere of the international socialist economic complex.

FOOTNOTES

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MANAGEMENT, KHOZRASCHET RELATIONS IN CEMA

Kiev EKONOMIKA SOVETSKOY UKRAINY in Russian No 9, Sep 82 pp 56-60

[Article by V. Suprun, candidate in economic sciences: "An Improvement of Management and Cost Accounting Relations in the Industry of the CEMA Countries"]

[Text] The CEMA countries have built up an enormous amount of positive experience in the planned direction of the socialist economy which is the valuable possession of all of the socialist states and an object of mutual study and use. Speaking at the 26th CPSU Congress, L. I. Brezhnev emphasized: "During the years of socialist construction the fraternal countries have gained a diverse and positive experience in the organization of production, in management, and in the solution of economic problems. . . . Let us, comrades, make a more attentive study and wider use of the experience of the fraternal countries."

An improvement of the economic mechanisms of the CEMA countries is closely connected with the problems of the development and use of cost accounting relations. There is the consistent point of view in the economic literature of the CEMA countries which asserts a cause-and-effect relationship between socialist planning and cost accounting relations with, moreover, the former regarded as a primary form, and the latter as derivative. It is stated that this fact determines the organic unity of planning and cost accounting.

The question of the relationship of cost accounting forms to the attained level of the socialization of industrial production depending upon the concrete conditions of place and time is of theoretical and practical significance. As is known, branch production associations appeared in the industry of the CEMA countries for the first time in the late 1950s and early 1960s as structural subdivisions, and this was the result of the practical needs for improving production. The creation of such large production units organized according to the branch principle and the transmission to them of a substantial number of the functions of management was determined by the attained level of the development of the productive forces, the degree of the socialization of production, and the requirements of the scientific and technological revolution. While expressing the increased concentration of production, the process of the transformation of managerial forms in CEMA industry also played the role of a powerful influencing factor of this concentration and, as a whole, of the process of the socialization of production.

The process of branch production concentration in the CEMA countries did not coincide in time. In some of them in which industrial production was marked by a relatively more developed concentration of production (GDR, Czechoslovakia) branch production associations were formed as early as 1958, and, moreover, they were formed in the GDR from former main administrations and ministries, and in Czechoslovakia by means of grouping enterprises by the branch characteristic. In such countries as Hungary, Bulgaria, and Romania the enlargement of industrial enterprises and associations began in 1963-1967 and continued for a considerable amount of time.

In generalized form, the valuational characteristics of this process which have been put forward in the economic literature of the CEMA countries, particularly by the Soviet economists G. Aristov, D. Butakov, R. Yevstigneyev, P. Küligin, and O. Latsis, amount to the fact that the chief direction of the evolution of associations in the industry of these states which reflects the process of its concentration was oriented toward the creation of basic cost accounting elements, and that their development followed upon the concentration of production and, at the same time, promoted a rise in the latter's level. Thus, R. Yevstigneyev writes: "As is confirmed by the experience of the CEMA countries, the transformation of associations into a basic cost accounting element cannot be successful without the achievement of a sufficient reciprocal integration of the member enterprises of the association. The accelerated arrangement of intra-production relations--horizontal and vertical--within the framework of the associations, by providing an impetus for an actual concentration of production, prepared the ground for the formation of the modern large enterprise."¹ He observes that the first associations which arose in the CEMA countries represented administrative managerial elements, something midway between enterprises and branch ministries. The organizational and managerial aspect was clearly expressed in the work of the associations of that time, although there was a constant effort to turn them into economic organizations.²

Thus, the process of the formation of associations into the basic cost accounting elements of industry is not simple. It requires substantial time and great efforts. As R. Yevstigneyev correctly emphasizes, " . . . it proved to be impossible to force this process, since it was not yet backed up by an actual concentration of production. For this reason, associations of enterprises began to arise everywhere as an intermediate form."³

This state of affairs became a vivid expression of the possibilities for the favorable influence under socialism of economic organizational forms on the content of economic processes. Indeed, during that period of production concentration, despite its obvious growth, the level had not yet been reached at which it would have been possible to create full-fledged cost accounting associations as the basic production unit. It was under these circumstances that the intermediate forms with a predominance of organizational and managerial functions arose. Nevertheless, their significance was enormous. They played a positive role in accelerating the adjustment of intra-production relations--horizontal and vertical--within the associations, provided an impetus for

increasing actual production concentration, and prepared the necessary pre-conditions and the basis for the formation of a modern large association as a qualitatively new form embodying in itself the entire fullness of cost accounting relationships. The production associations in USSR industry may serve as an example.

Having taken the form at the initial stage of their development of enlarged enterprises of the concern type and of the trust, in the content of their activities the branch production associations expressed above all the organizational and managerial side of economic activity. Close production and technological relations within them were still lacking, and intra-association specialization was only beginning to be organized. In addition, this was a period when the entire system of economic management was operating in the old manner, and when the economic reforms which brought new aspects into the organization, planning, and economic stimulation of production had not yet been carried out. For this reason, cost accounting relations within these associations were also in their formation stage. However, despite these circumstances, the creation of branch production associations in the industry of the European socialist countries occurred intensively and took on large dimensions. Associations of the concern type which consisted of a head enterprise and a number of others that retained relative independence, and also associations in the form of trusts which amalgamated enterprises more tightly and operated as independent units harmoniously supplemented one another. As a rule, associations of both types arose in each country.

As they became established and developed the production associations of the CEMA countries received sufficiently broad rights and possibilities for economic activity, especially during the carrying out of the economic reforms in the 1960s. At the same time, their economic responsibility for the results of production constantly increased. The associations were given the responsibility for providing the economy with high quality products from their branch, for a high level of production mechanization and automation, and for the introduction of new equipment. Toward this end, scientific research and planning and designing subdivisions were included in them. The associations which were formed as a result of these transformations received the right to take part in the preparation of drafts of the branch's long-term and annual plans, to establish for enterprises directive indicators and ceilings and rates for allotments to the budget and to the centralized branch funds, to accumulate some of the branch's resources for a further redistribution and for providing assistance to enterprises, to draw up reports and balances for the branch, and to exercise control over the activities of enterprises. Their responsibility was also spread to the system of material and technical sales and supply right up to the foreign market.

Thus, the economic reforms signified a new stage in the development of the associations, and, at the same time, in the expansion and perfecting of cost accounting relations. As G. Aristov observes, " . . . the economic reforms of the 1960s in the foreign CEMA countries were not able to base themselves on the traditional production enterprises as their organizational form." Taking

account of the limitation of the cost accounting of a production enterprise chiefly to current production, he emphasized that the "cost accounting reforms were connected with the dissemination of the principles of cost accounting to the entire individual process of expanded reproduction (and not only to current production)."4

It should be added that the economic reforms were not only a new stage, but also a unique turning point in the transition from the intermediate forms of production associations (or the primary ones, as they are still called in the economic literature) to developed cost accounting units which have the task of playing the role of the basic production element in industry.

The important changes in cost accounting relations in the 1970s consist not only in the fact that they went beyond providing for the current production of enterprises and, as they were disseminated beyond the limits of the associations, promoted an increase in its actual concentration and in strengthening intra-association economic production relations, but also in the fact that since they possessed substantial material and financial resources in the form of funds, the associations were able to become economic leader organizations in which administrative managerial functions are derivative from their fundamentally new cost accounting position.

Thus, the experience of the CEMA countries shows that the development and strengthening of cost accounting relations is inseparably bound up with an expansion and strengthening of the managerial functions and an increase in the importance and role of the associations. The increased independence of the new type enterprises (associations) is of a relative character, a fact which is witnessed both by the theoretical views of the economists of the CEMA countries, and by the operational experience of the corresponding associations. Of interests are the statements on this question of such economists as M. Tardosh and L. Samuelli (Hungary), G. Rikhter (GDR), M. Dal', K. Murdzhesku, and E. Dobresku (Romania), and others. Thus, evaluating the system of financial regulation based on profits and on direct state supervision over the work of enterprises which has been instituted in Hungary, M. Tardosh notes the increase in the independence of Hungarian enterprises, but not to the level of autonomy.⁵

In the final analysis, the common nature of the views of the CEMA country economists regarding the limits and the level of cost accounting amounts to the idea that there is not and cannot be a universal type which is suitable for all practical situations, and that the principle of the full compensation of expenditures and of the distribution of results in combination with the expansion of the rights and responsibilities of the basic cost accounting unit in the planning and managerial aspect must not substitute for the principle of democratic centralism which clearly defines the role and significance of the socialist state in the regulation of economic processes. During the course of the evolution of enterprises into associations the latter substantially expanded their planning and organizational rights; however, these rights, of course, could not become higher than the rights of the state agencies which carry out the centralized planned direction of the economy. The economic planning aspect of the operations of associations which is connected with the principle of

full compensation for expenditures and of the distribution of results became much more important.

In this connection, the development of the cost accounting of the middle managerial echelon--the present associations and combines--is seen in these directions: ensuring production efficiency, active participation in profits distribution, an increase in the role and importance of economic stimuli, and a clear orientation toward the kind of self-financing which will ensure the process of expanded socialist reproduction on the basis of their own resources with a corresponding decrease in budgetary financing sources, above all for capital investment purposes. It can be said that the economic jurisdiction of the associations became wider than that of ordinary enterprises in the past. Possessing substantial resources of their own and broad rights for making use of them, the associations obtained the possibility of taking extensive participation in the financing of capital investments. A positive element is the fact that the above association funds are formed not on the basis of the same-name funds of the enterprises which are members of them, but by means of direct allotments from profits, receipts from depreciation allowances, or cost mark-ups. It is noteworthy that objects which are financed with enterprise funds are built more rapidly than objects which are financed from the budget. Thus, for example, in Hungary for objects with an estimated cost of 25-100 million forints the difference in construction periods comes to 15 months in favor of the objects which are financed with enterprise funds.⁶

Recently measures have been carried out in the CEMA countries which are aimed at a further improvement of the management of industry and at the system of cost accounting relations connected with this. Thus, in Bulgaria in 1978-1979 there began a mass creation of combines which are preferred to the previously created economic complexes, and, moreover, the rights of all economic organizations, including the combines, have been substantially expanded. In Hungary in 1978 a new version of the law on state enterprises was adopted, as were normative acts regulating the procedure for the formation and functioning of economic associations. Towards 1980 the GDR completed a process of the creation of large combines with a simultaneous improvement of their cost accounting activities. In Czechoslovakia in 1978-1980 a number of economic experiments were carried out within the framework of the concern form of production organization. This process is now being completed and is making it possible to deepen and perfect the system of cost accounting. The fundamental novelty of these processes consists in the fact that the organizational transformations in combination with a strengthening of the cost accounting methods of influencing production are closely coordinated with the task of providing for the needs of consumers with respect to the quantity, quality, and assortment of output. With this kind of approach, in addition to the principles of production relations and vertical production organization integration which serve as the basic orientation point for the amalgamation of individual economic elements (enterprises), other no less vital elements are brought within the framework of the previous managerial forms (for example, the combines)--the subordination of the internal structure, production relations, and proportions in the associations not only to the goal of the production of the basic final output, but also to

ensuring the production of those "thousands of trifles" for which there is a daily mass consumer demand. Especial attention is given here to improving the quality of output along its entire assortment. A combination of the principles of production expediency and of the direct provisioning of social needs for high quality output, with, at the same time, an improvement of managerial forms and cost accounting relations in industry, follows directly from the decisions of the recent congresses of the fraternal communist and workers' parties of the CEMA countries.

Under these conditions, the economic associations are maximally oriented toward a study and calculation of demand--both production and consumption, which places an important stamp on the tasks of cost accounting and its organization. An expression of the latter is the tendency toward an expansion of the operational independence of the enterprises which are members of the associations. Thus, for example, in Bulgaria in 1978 a special government decree was adopted on expanding the rights and duties of economic organizations, and a new model status was also approved for them; 1 July 1979 saw the entry into effect of the decree by the Council of Ministers of the People's Republic of Bulgaria "On an Improvement of the Management of Economic Organizations and Production Subdivisions in Industry" which defined the procedure for the formation and distribution of the income of economic organizations and for their settlements with the state budget, and also the rules for bank credit. These documents make it possible to more clearly delimit the economic activity of the associations and their member enterprises, and also their relationships with ministries as elements of central planning leadership.

As has already been noted, a basic course has been adopted aimed at the predominance of combines within which enterprises have to perform rather specialized production functions. Note should also be taken here of the delimitation of mandatory assignments obtained by the combines as a whole and by their member production units. Thus, in their work the combines have to continue to be guided by the following planning indicators: 1) the amount of net output; 2) the amount of output in physical terms and by quality groups; 3) the amount of currency receipts from exports and the ceiling on imports of the corresponding output; 4) the amount of material expenditures per 100 levs of commodity output; 5) a ceiling on the number of employees; 6) the average wage level (brutto); 7) profits per 100 levs of productive capital; and 8) the machinery and equipment shift coefficient. As for the production units (enterprises), they get the following planning assignments: 1) indicators for the amount of production in physical terms with the specification of assortment, quality groups, and realization direction; 2) the normative cost of a unit of output; 3) currency receipts from exports; 4) ceiling on the number of employees; and 5) the shift coefficient.

On 1 January 1978 a new law on state enterprises came into effect in Hungary in accordance with which enterprises are put into three categories: 1) the state enterprise which can contain a plant, a branch, a shop; 2) trusts which include enterprises; and 3) municipal enterprises (in the service sphere) which operate according to the principle of general type enterprises. The law provides for a more differentiated approach to enterprises from the point

of view of their operational independence. The largest enterprises which are members of trusts possess their own special system of reporting and stimulation which operates within the framework of the trust's general charter and collective agreement. In addition, the trusts are regarded as organizations which operate on the type of state enterprises. This means that they bear responsibility before the state budget for the receipt of funds from their member enterprises for the results of their economic work. A clear limit to the economic independence of enterprises is established. In particular, they have the possibility of adopting independent decisions on matters concerning capital investments and the distribution of profits from the results of economic activity. However, their independence does not go beyond the limits of the general regulating functions of the trust: the latter is endowed with the right of regrouping the resources of its subordinate enterprises in the interests of the economy, and also of changing, when necessary, individual types of their activity.

In the GDR in November 1979 the government adopted the "Regulation on the People's Combines, Combine Enterprises, and People's Enterprises" in which the experience of the economic work of production associations is generalized and its principles under present conditions are defined. The combine is regarded as the basic economic unit of material production, as a modern form of the organization and management of industrial production and construction. At the same time, in accordance with the above regulation, the member enterprises of a combine are not "dissolved" in it, but, on the contrary, receive rather broad cost accounting possibilities: they compute production efficiency, possess their own balance and bank account, form a number of cost accounting funds, in particular, depreciation and capital investments, scientific and technological development, their own economic achievements (for the purpose of rationalizing and improving working conditions), a bonus fund, and a social and cultural fund. At the same time, provision is made for the possibility of the mobile concentration by the combine of the resources of enterprises, and also, in the event of necessity, of moving the centralized funds of combines into the funds of enterprises. On the whole, the combines have received broad rights for testing diverse variants of economic relations among their member enterprises. This is of enormous importance in connection with the introduction in 1979 at all levels (enterprise, combine, ministry) of a new planning orientation point--a final output indicator.

In Czechoslovakia a decree was adopted in January 1980 on a complex of measures to improve the system of the planned direction of the economy. In accordance with the decree, concerns and enterprises are recognized as the most appropriate form of the organization of industrial production. The development of cost accounting in this connection envisages the carrying out of large-scale economic experiments.

Thus, the recent changes in the system of the management of industrial production in the CEMA countries have inevitably resulted in a corresponding improvement of cost accounting. For this reason it is quite natural that the potentialities of cost accounting and its use continue to be at the center of attention of economic thought.

A special characteristic of the present conceptions of the development of cost accounting relations consists above all in a heightened attention to evaluative indicators of the work of production associations which would ensure the most efficient use of the personal and material factors of production. From this aspect, a positive evaluation is put upon the possibilities of such an indicator as net or conventionally net output. However, as many economists emphasize, this new indicator cannot replace the profits indicator. Both of them in effective combination are regarded as important levers for increasing the efficiency of social production. However, there is no complete unanimity of views on this matter. There are two points of view in the socialist countries on the problem of the choice of evaluative indicators for a long period of time:

1) gross indicators, and also physical ones should be used for the purpose of drawing up balances and evaluating work results; the assignments and resources of the central plan should be expressed in these indicators; 2) in order to evaluate the work of economic organizations and determine their income it is best to use net output indicators. It is also noted that despite certain advantages of the latter, the design of the net indicators is more complex and less exact; in addition, favorable conditions have not yet been created everywhere for their use. Practice shows that the system of indicators will be optimal only in the event that a thrust toward a single goal dominates the diversity of their action.⁷

Enormous attention is being given in the system of cost accounting relations to a correct combination of wages and of remuneration as incentive monies. The principles which have been established here remain unshakable: wages are assigned the chief role in the material stimulation of collective and personal interests, while bonuses and rewards paid from the material incentives funds are additional material stimulation. A uniform understanding of these issues as a whole by no means excludes their specific resolution in conformity with the concrete economic conditions of the socialist states. However, despite the above-mentioned specificity, a general law can clearly be seen: an endeavour for wages to be actually earned, and for bonuses and other incentives to correspond precisely to compensation for additional labor expenditures which have produced indisputable results in the production of additional high quality output.

Thus, in totalling up the overall result, it is essential to take note of the wide range of measures being carried out in the direction of improving cost accounting relations in the CEMA countries. They are a vivid confirmation of the inexhaustible possibilities of the socialist economic system in which labor which is free from exploitation possesses mighty stimuli for its rational and efficient employment.

FOOTNOTES

1. R. Yevstigneyev, "The Evolution of Enterprises: The Experience of the CEMA European Countries," VOPROSY EKONOMIKI, No. 10, 1979, p 90.

2. Ibid.
3. Ibid.
4. G. V. Aristov, "The Role of Price in the Management of the Socialist Economy. From the Experience of the Foreign CEMA Countries," Moscow, "Nauka," 1980, p 73.
5. P. I. Kuligin, "Cost Accounting and Its Development in the Foreign CEMA Countries," Moscow, "Nauka," 1980, pp 28-29.
6. FIGYELO, No. 48, 1980, pp 3, 8.
7. EKONOMIKA PROMYSHLENNOSTI, No. 4, 1980, pp 45-47.

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USSR-CEMA TRADE

SOVIET CHAMBER OF COMMERCE, INDUSTRY CHAIRMAN ON CEMA TIES

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 10,
Oct 82 pp 62-65

[Article by Boris V. Borisov, chairman, Presidium of the USSR Chamber of Commerce and Industry: "The USSR Chamber of Commerce and Industry: Promoting the Development of Fraternal Relations for 50 Years"]

[Text] Foreign economic relations occupy an important place in the comprehensive program elaborated by the 26th CPSU Congress for the further development of our nation's economy. The CEMA's experience of more than 30 years shows that the continuous growth of mutually advantageous foreign economic relations promotes the acceleration of progress in the development and improvement of production and in the improvement of the well-being of the peoples of each country belonging to this organization.

This is also evidenced by the fact that trade between fraternal countries in the last decade (1971-1980) increased 3.7 fold and exceeded 120 billion rubles in 1980.

Soviet exports to CEMA member nations in the last five years (1976-1980) totaled 98 billion rubles and exceeded the 1971-1975 level 2.1 fold. Fuel, raw materials, machine building products, tractors and motor vehicles occupy a significant place in Soviet exports. Deliveries of consumer goods, including durables, are growing at a rapid rate.

The intensification of trade and economic ties between the Soviet Union and fraternal countries in turn will help our country to resolve important national economic problems in a shorter time. The Soviet Union imports railroad rolling stock, chemical industry equipment, agricultural machinery, buses, ships, drilling rigs, and many other manufactured goods. Products of light industry and the food industry of socialist countries are in great demand in the Soviet Union.

In the last five-year period, the USSR received 90 billion rubles' worth of various kinds of products from CEMA member nations or almost twice as much as in 1971-1975. Such results have primarily been possible owing to the consistent implementation of the Comprehensive Program for Socialist Economic Integration.

Special long-term cooperative programs in key branches of the economy are the basis for the further expansion of the economic interaction of socialist countries. Long-term production specialization and cooperation programs are becoming the dominant form of production cooperation.

The basic directions of economic cooperation determined in the course of coordinating plans for 1981-1985 create prerequisites for the stable and dynamic development of commercial and economic relations between fraternal countries. In the current five-year period, reciprocal foreign trade between the USSR and other CEMA member nations will grow by almost 40 percent and will total roughly 260 billion rubles. Exports of Soviet machinery and equipment to this group of countries will grow by 40 percent. The USSR in turn will receive more than 60 billion rubles' worth of such products and more than 40 billion rubles' worth of consumer goods.

Broad commercial, economic, scientific, technical and industrial cooperation between our countries and the development of direct ties between industrial enterprises and organizations presuppose the extensive and continuous exchange of information on questions of mutual interest, reciprocal briefings on advances in economics, science and technology, and measures promoting the implementation of the Comprehensive Program and special long-term cooperative programs.

The Role of the USSR CCI [Chamber of Commerce and Industry]

In our country, the USSR Chamber of Commerce and Industry occupies a definite place in the system of foreign economic relations with CEMA member nations. This social organization is observing the 50th anniversary of its activity this year. Its basic mission is to help the Ministry of Foreign Trade, the State Committee for Science and Technology, the State Committee for Foreign Economic Relations and other state organizations in conducting commercial, economic and scientific-technical relations with foreign countries.

Accordingly, the Chamber supplies its members with informational materials; organizes the participation of Soviet enterprises in international trade fairs and exhibits; organizes commercial, industrial, specialized and national exhibits by socialist countries in the USSR; and helps these countries to take part in international exhibits in the USSR. The USSR CCI performs operations relative to the patenting of Soviet inventions, production prototypes and trademarks in CEMA member nations and helps socialist countries to patent inventions, prototypes and trademarks in the USSR; checks the quality and quantity of exports and imports; and performs various other measures.

In this work, the Chamber has for many years actively cooperated with chambers of commerce and quality control, patent and exhibit organizations of socialist countries.

The multilateral cooperation of chambers of commerce and chambers of commerce and industry of fraternal countries is carried out at the level of chairmen of chambers of CEMA member nations, experts on exhibits, foreign relations, patenting and licensing, inspection, arbitration and information.

Information Work

A major place is assigned to information work in the practical activity of all divisions of the USSR Chamber of Commerce and Industry. The Chamber collects and summarizes materials on the economy and foreign trade of socialist countries. Information and reference materials are transmitted to organizations that are members of the USSR CCI. This work is carried out with the all-round assistance of the chambers of fraternal countries which the USSR CCI in turn supplies with information on Soviet foreign trade, on the development of the Soviet economy, science and technology. Information is exchanged on the effort to promote the fulfillment of the Comprehensive Program.

The USSR CCI and chambers of CEMA member nations exchange delegations of specialists who attend official meetings in ministries, departments and foreign trade organizations, and at industrial enterprises. During the last five-year plan, the USSR CCI received 120 delegations from fraternal countries.

Of great practical importance are days celebrating the economies of various CEMA member nations. They are a successful means of publicizing the accomplishments of a given country in various areas of the economy, science, technology and foreign trade. These "economy days" usually include the organization of exhibits on a certain theme, a lecture series by specialists, workshops, and visits to industrial enterprises.

In the last 5 years, the USSR has conducted a number of days celebrating the economies of CEMA member nations. Days devoted to the economy of Bulgaria, Hungary, Poland and Czechoslovakia were held in the capitals of all union republics and in major industrial and scientific centers of the USSR.

In turn, the USSR CCI sends delegations of specialists in various branches to socialist countries. Between 1976 and 1980, the number of these delegations exceeded 50.

Cooperation between the USSR CCI and the chambers of fraternal countries is organized with regard to the specific features of each country. Thus, for example, we have the experience of cooperation with the Hungarian Chamber of Commerce. Both chambers have established sections that conduct various kinds of work aimed at creating maximally propitious conditions for the expansion of reciprocal trade.

The Czechoslovakian-Soviet Chamber of Commerce, in addition to its informational and publishing activity, advises representatives of industrial enterprises and organizations on reciprocal trade matters and organizes lectures on individual questions of economics, science and technology.

Long-term cooperative agreements have been concluded with a number of chambers of CEMA member nations. The agreements take into account existing economic relations between these nations and the specific features of the organizational structure of the chambers.

Agreements defining concrete joint measures are regularly concluded for periods of 1-2 years.

Exhibits

This type of activity occupies a central place in the work of the USSR Chamber of Commerce and Industry.

Chamber-organized Soviet exhibits at international trade fairs in socialist countries reflect the program of production specialization and cooperation between the USSR and other CEMA member nations. They devote much attention to demonstrating the concrete results of cooperation of countries of the socialist community in such branches as the auto industry, metallurgy, atomic energy, machine building, machine tool construction, electrical engineering, etc. The exhibits are based on the interaction of two or more fraternal socialist countries.

The permanent ties between the USSR CCI and the chambers and exhibiting organizations of socialist countries facilitate the accumulation of experience used in practical work and joint informational measures at exhibits in third countries.

Cooperation between CEMA member nations is publicized at international exhibits held in the USSR. The broad range of these exhibits is evidenced by the fact that the fruits of this cooperation were demonstrated at the following exhibits: "Elektro-77," "Sel'khoztekhnika-78," "Lesdrevmash-79," "Zdravookhraneniye-80," and "Inlegmash-82."

The All-Union "Expocenter" Association (which was specially created under the auspices of the USSR CCI) is concerned with the organization of international and foreign exhibits in the USSR. The association cooperates with a number of organizations of CEMA member nations and the Socialist Federal Republic of Yugoslavia: "Hungexpo" (Hungarian People's Republic), "Transinter" (GDR), "Agpol" (Polish People's Republic), and "Yugoslavia Public" (SFRY). The All-Union "Sovintsentr" Association, which also belongs to the Chamber and is engaged in the commercial operation of the Moscow Center of International Trade and Scientific-Technical Relations With Foreign Countries, maintains regular contacts with V/O "Interpred (People's Republic of Bulgaria) and V/P "Intrak" (Polish People's Republic).

Reciprocal consultation on cooperation with foreign firms and banks have occupied an important place in the cooperation between "Sovintsentr" and "Transinter," to which the Berlin Center for International Trade belongs.

The Protection of Industrial Property

A number of agreements on the protection of industrial property have been concluded between CEMA member nations in connection with the implementation of the Comprehensive Program. Cooperation of socialist countries, their patent agencies and organizations promoting scientific and technical progress is primarily directed toward accelerating the practical utilization of scientific and technological advances in all countries in the community and toward raising their scientific and technical potential.

Patent work in CEMA member nations reflects the desire of these countries to facilitate and simplify the filing of patent applications, to unify material and legal norms regulating the protection of inventions, and to secure the broadest and earliest utilization of inventions developed in one country in other fraternal countries. This is the goal of international agreements concluded within the framework of CEMA: the Agreement on the Unification of Requirements for Filing Patent Applications (1975); the Agreement on the Legal Protection of Inventions, Production Prototypes and Trade Marks in Economic and Scientific-Technical Cooperation (1973); and the Agreement on the Reciprocal Recognition of Inventors' Certificates and Other Invention-Protecting Documents (1976). According to the latter agreement, the protecting document (inventor's certificate or patent) issued in one country participating in the agreement can be recognized in another country without expert evaluation thereby significantly accelerating the utilization of the invention.

The patenting of foreign inventions in the USSR and of Soviet inventions in foreign countries is an important charter task of the USSR CCI. The conclusion of the indicated agreements has in large measure increased the effectiveness of the Chamber's cooperation with patent agencies of CEMA member nations.

Within the framework of the Soviet national group of the International Association for the Protection of Industrial Property (IAPIP), the Chamber works in close contact with national groups of CEMA member nations. The coordinating conference of national groups of the IAPIP of CEME member nations has functioned continuously since 1972.

The Soviet national group of the IAPIP also maintains bilateral contacts with organizations in fraternal countries. It holds workshops devoted to the protection of industrial property and publishes informational materials.

Checking Exports and Imports

The USSR CCI conducts extensive checks on commercial exports and imports. In the People's Republic of Bulgaria, the Mongolian People's Republic and the Socialist Republic of Romania control organizations operate under the auspices of chambers of commerce; in the Hungarian People's Republic, GDR, Polish People's Republic, Czechoslovakian SSR and SFRY they operate under the auspices of foreign trade associations.

The year 1981 marked the 25th anniversary of cooperation of control organizations of socialist countries (the first conference of the heads of these organizations was held in Budapest in 1956). By way of implementing the decisions of plenary conferences, every year there are 3-4 meetings of control organization specialists on various questions regarding the quality control of products and the development of appropriate methods.

Organizations in fraternal countries have to date coordinated five sets of methods for all CEMA member nations regarding the quality control of individual groups of consumer goods.

The Terms of Cooperation of Commercial Control Organizations of Socialist Countries in the Quality Control of Goods for Foreign Trade were signed in Berlin in September 1977. The Principles of Cooperation of Commercial Control Organizations of Socialist Countries in the Markets of Third Countries were adopted in Prague in February 1980.

The adoption of these documents promotes uniformity in quality control techniques, promotes uniformity in commercial practices of CEMA member nations and creates prerequisites for successful work in third countries.

The signing of bilateral agreements on cooperation with control organizations of the PRB, HPR, GDR, PPR and SFRY by the USSR Chamber of Commerce and Industry promoted the expansion of activity in inspecting the quality of goods at the behest of foreign organizations. The result has been a considerable increase in reciprocal requests to inspect products.

For example, at the behest of the USSR CCI, the "Interkontrol" control organization (GDR) has checked the quality of equipment manufactured in the GDR for petroleum projects to be built in Iraq with the technical assistance of the USSR. In turn, at the request of "Interkontrol," the USSR CCI has checked the quality of rolling mills that will produce aluminum ribbon for delivery to the GDR.

Other Directions of Cooperation

In addition to the areas indicated above, the USSR Chamber of Commerce and Industry successfully cooperates with chambers of commerce in other directions as well. Closer ties are developing between arbitration agencies under the Chamber--the Foreign Trade and Maritime Arbitration Commissions--and similar arbitration services operating under the auspices of the chambers of CEMA member nations. Regular exchange of information and participation in joint meetings have been organized.

The joint publication effort has included two editions of the reference book "Vneshnyaya trgovlya stran-chlenov SEV i SFRYU" [Foreign Trade of CEMA Member Nations and the SFRY] in Russian and German; "Exporters and Importers in CEMA Member Nations"; the "Spravochnik po vneshnetorgovomu arbitrazhu v stranakh-chlenakh SEV" [Manual on Foreign Trade Arbitration in CEMA Member Nations] is slated for publication in the near future.

The USSR Chamber of Commerce and Industry translates a large volume of commercial and other documentation from foreign languages into languages of peoples of the USSR (and vice versa). So it was that 1,8 billion typographical units were processed in 1981. Cooperation between translation organizations of socialist countries is organized on a contractual basis. Closest contacts have been established with translation organizations in the PRB, HPR and PPR.

When we analyze many years of joint work of the USSR CCI and chambers of commerce of socialist countries, we should note their positive contribution to expanding all-round cooperation and to the improvement of its forms. I wish to express the certainty that this work will continue on the basis of fraternal friendship and mutual trust for the good of the entire socialist community.

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USSR-CEMA TRADE

'IZVESTIYA' REPORT ON 1983 USSR-CUBA TRADE PROTOCOL

Moscow IZVESTIYA in Russian 17 Feb 83 morning edition p 5

[TASS report: "Cooperation Developing"]

[Text] A protocol on commodity turnover and payments between the Soviet Union and the Republic of Cuba for 1983 was signed in Moscow 15 February.

The volume of commodity turnover will exceed the 1982 level and will amount to more than R6.5 billion.

The fulfillment of commitments for reciprocal deliveries of the commodities provided for in the protocol for 1983 will help to implement both countries' state national economic development plans, improve production efficiency and more fully satisfy the growing requirements of the population of the Soviet Union and the Republic of Cuba.

The protocol was signed by N. D. Komarov, USSR first deputy minister of foreign trade, and R. Cabrizas Ruiz, Cuban minister of foreign trade. Rene Anillo Capote, Cuban ambassador to the USSR, was present at the signing of the protocol.

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USSR-CEMA TRADE

BRIEFS

CEMA MERCHANT MARINE--In 1981 the merchant marine of the CEMA countries grew only marginally--by 194,000 tons, or 0.9 percent. At the beginning of 1981 more than 2,625 ships, representing a total weight of 31.328 million tons, flew the flags of these countries. At the end of 1981, the first-ranking Soviet Union had 1,704 ships with a capacity of 19.22 million tons (+1.3 percent). Trailing considerably came Poland, with 305 ships and 4.339 million tons (-0.9 percent); Romania, with 179 ships and 2.604 million tons (-2.1 percent); the GDR, with 177 ships and 1.856 million tons (-1.1 percent); Bulgaria (+2.6 percent); Cuba (+10.1 percent); Vietnam (0.0 percent); and the CSSR (+12.4 percent), which in 1981 had at its disposal less than one out of every 100 [CEMA] ships. In last place is Hungary, with 21 ships and 112,000 tons (0.0 percent). [Text] [Bonn DIE WIRTSCHAFT DES OSTBLOCKS in German 20 Jan 83 p 2]

CSO: 1826/19

USSR-EAST EUROPE BILATERAL TRADE

TRADE LINKS BETWEEN HUNGARY, USSR VIEWED

Moscow APN DAILY REVIEW in English 18 Feb 83 pp 1-3

[Article by V. Gerasimov, PRAVDA correspondent: "Developing Cooperation"]

[Text] The 18th of February marks the 35th anniversary of the Soviet-Hungarian Treaty of Friendship, Cooperation and Mutual Assistance. Signed in 1948, this document provided the basis for fraternal relations between our two countries. The Treaty of 1967 carried these relations a step further.

The report we offer tells about reciprocally advantageous Soviet-Hungarian trade.

Almost 90 Hungarian firms and enterprises now have their trade offices in Moscow. And among them are such large and famous ones as Videoton, Tungsram and Budavox. The scope of work of these foreign trade offices grows each year.

Here's but one example. When the first Friendship Treaty was signed 35 years ago, annual trade between our countries did not exceed 50 million roubles, whereas this year's mutual goods deliveries protocol tops the 8,000 million mark.

It is necessary to more firmly assert new, better ways and means of international cooperation--this thought was keenly underscored by both Endre Molnar, chief commercial counselor at the Hungarian Embassy in the USSR, and USSR Trade Representative in Hungary Victor Ocheretin, with whom I met in Moscow and Budapest.

During all these years the Soviet Union has helped to supply Hungary's needs for fuel, power and raw materials.

"We note with satisfaction that Hungary is trying to make the best use of our deliveries," says Victor Ocheretin. "A drive for energy and raw material savings has developed in Hungary on a large scale. We shall continue to pool efforts in this matter in future as well, deepening specialisation and teamwork in creating power-, material- and labour-saving equipment and technologies."

"I would like to say that Hungarian-Soviet economic ties rest on a long-term foundation," Endre Molnar said in Moscow. "Soviet machinery and equipment supplies have enabled us to expand and update our ferrous and nonferrous metals

and power industries and some branches of chemical and consumer goods production. They have also been instrumental in updating transport and the mechanisation of agriculture."

Indeed, the large Soviet market has facilitated the growth in Hungary of machine building, the production of buses (about 90,000 Ikaruses already exported to the USSR), portal and floating cranes, ships (nearly 600 Hungary-supplied tow and push boats work on the Volga, Ob and Yenisei Rivers), communications equipment, electronic devices and equipment for mechanised poultry farms and canneries. Farm products are being supplied to the Soviet Union in large quantities. Soviet buyers well know Hungarian clothing, knitwear products, shoes and medicines.

My interlocutors noted the importance of the long-term agreement on agro-chemistry for both countries, under which the Soviet Union supplies Hungary with chemical products and receives means of plant protection in exchange. They also spoke of the agreement on the production of road transport means. In accordance with it, the Soviet Union pays for components manufactured in Hungary with Lada cars. The same holds for the alumina-for-aluminum agreement: the sizes of mutual deliveries here are particularly large. This year Hungary will send 330,000 tons of alumina to the USSR for processing and get 164,500 tons of aluminum in return.

Hungary has started implementing a program for the development of microelectronics. Cooperation with Soviet plants is of special importance in its realisation.

"One of the striking proofs of the deepening of our economic contacts," Endre Molnar said, "is that the share of Hungarian products made on the basis of specialisation and integration is steadily increasing in its foreign trade. It currently accounts for 34 percent of all our deliveries."

The unification of efforts by the Soviet Union and Hungary is yielding ever new results. These include the bringing into service on the eve of 1983 of the first reactor at the Paks Atomic Power Station on the Danube, one of the 90 large projects built and updated in 35 years with Soviet help, the creation of joint research and engineering teams for study, design and the application of developments and the establishment of direct contacts between economic areas, plants and institutions of the two countries.

Closely coordinating its foreign trade policy with the fraternal states, Socialist Hungary makes a weighty contribution to the elaboration of important proposals and initiatives on the world scene. Budapest has assessed the Political Declaration of the Warsaw Treaty Member States, adopted in Prague, as a firm basis for further activity.

Moscow-Budapest, February

CSO: 1812/110

USSR-EAST EUROPE BILATERAL TRADE

BRIEFS

CSSR PULP, PAPER COMPLEX--Ruzomberok saw the commissioning of a pulp-and-paper complex, built with Soviet technical assistance, with an output of 200,000 tons of unbleached cellulose a year. The mill will enable the country to reduce its cellulose imports. [Text] [Moscow FOREIGN TRADE in English No 12, Dec 82 p 23] [COPYRIGHT: "Vneshnyaya trgovlya" 1982 English translation "Foreign Trade", 1982]

SREBRENICA STORAGE BATTERY PRODUCTION--In November 1982 at Srebrenica a storage battery factory able to produce 464 thousand stationary batteries a year was put into operation. The Soviet Union is also rendering technical assistance in building one more storage battery factory with the annual output of 610 thousand starter batteries in Probistip. Deliveries of these enterprises' products to the USSR are envisaged. [Text] [Moscow FOREIGN TRADE in English No 12, Dec 82 p 23] COPYRIGHT: "Vneshnyaya trgovlya" 1982 English translation "Foreign Trade", 1982]

POWER PRODUCTION FACILITIES--Soviet assistance to Bulgaria in developing her power industry is a main direction of Soviet-Bulgarian economic and technical cooperation. With Soviet technical aid Bulgaria has built and is successfully running such big power-generating projects as the Pervaya Komsomolskaya, Bobov Dol, Maritsa-East-II, Maritsa-East-III, Varna and other thermal electric power stations. Power-producing facilities built with Soviet assistance account for 75 per cent of Bulgaria's all installed capacities. In 1981 they produced 27,600 million kWh, amounting to 80 per cent of the country's total output of electricity. A further growth in the country's electricity production in conditions of limited traditional energy resources is possible only through the development of atomic power engineering. The Soviet Union is rendering technical assistance in building the Kozloduy atomic power station. April 1982 saw the putting of the fourth 440 MW power block into operation. With its commissioning the power of this electric station, the largest in the Balkans, reached 1,760 MW. In the current five-year-plan period (1981-1985) the station will be expanded further through the construction of two more power units each of one million kW. [Text] [Moscow FOREIGN TRADE in English No 12, Dec 82 p 38] [COPYRIGHT: "Vneshnyaya trgovlya" 1982 English translation "Foreign Trade", 1982]

TRADE WITH INDUSTRIALIZED COUNTRIES

SOVIET-GREEK TRADE TALKS EVALUATED

Moscow APN DAILY REVIEW in English 28 Feb 83 pp 6-7

[Article by G. Shakhunyan: "USSR and Greece: An Important Step"]

[Text] The talks that were held in Athens have opened up a new page in the history of relations between Greece and the Soviet Union and have given a new impulse to the development of mutually beneficial contacts not only in the sphere of politics but also in trade-and-economic cooperation, writes IZVESTIA, appraising the results of the visit to Greece by Nikolai Tikhonov, the head of the Soviet government. Touching upon the long-term programme for the development of economic, industrial, scientific and technical cooperation between the USSR and the Hellenic Republic, the newspaper emphasizes that it is aimed at looking for ways for effective utilisation of natural and raw material resources, newest technology and achievements of industry and agriculture in the interests of the two countries. The implementation of the programme will make it possible almost to double the volume of bilateral trade which will amount to 1,000 million roubles.

The fruitful Soviet-Greek dialogue acquires special importance now that one observes the growth of international tension which as never before affects the interests of all countries and peoples. The positive results of the visit go far beyond the framework of further development and deepening of bilateral relations, IZVESTIA points out. It is essential to note the joint contribution which the Soviet Union and Greece make to strengthening security in Europe and to the cause of consolidating everything positive that has been achieved during the years of detente.

The revealed similarity of our countries' positions on a number of topical international problems is of great importance.

The sides expressed deep conviction that the most important task of today is to remove the threat of a nuclear war, to put an end to the arms race, to achieve disarmament, to preserve the policy of detente and to strengthen universal peace. They stated the need for the vigorous efforts of all countries, big and small, in this direction.

CSO: 1812/108

TRADE WITH INDUSTRIALIZED COUNTRIES

FRENCH-SOVIET TRADE TIES DISCUSSED

Moscow PRAVDA in Russian 17 Jan 83 p 6

[Article by I. Shchedrov: "'Gisofra' and Others" under the rubric "From the PRAVDA Correspondent in Paris"]

[Text] The noisy Boulevard Houssmann with the glittering shopwindows of its fashionable stores and the adjoining ancient quiet little side streets constitute the business section of Paris in which are located the edifices of many banks and corporations. It also contains the offices of the "Gisofra" [Economic Interest Group for Trade Exchanges Between the USSR and France]. The noiseless elevator rises to the fourth floor where the heads of the company already are awaiting us.

But before describing encounters with representatives of the business circles let me tell you about an interesting story which links this modern building on Arcade Street in Paris with the town of Quimper in Brittany as well as with Moscow, Leningrad and Murmansk.

At the "Gisofra" it was learned that an enterprise in northwestern France needed modern fish-filleting machinery. A request for the necessary blueprints was immediately sent from Paris to Moscow, to the "Tekhmasheksport" [Technological Machinery Exporting Center]. As soon as the response was received, a "Gisofra" expert traveled to Quimper to offer Soviet equipment to the potential buyer. Subsequent events unfolded rapidly. The President of the Quimper Chamber of Commerce, Mr. Avenard, and several other people concerned flew to the USSR and a day later, via Moscow and Leningrad, to Murmansk. They were interested in seeing the machinery in operation. The French businessmen, on arriving at the northern port, were struck by the scale of the fish processing plant and the fishing harbor, as well as by the modern equipment and the high professional level of Soviet experts. On touring the enterprises they observed the recently installed filleting machinery which has not yet been included in export catalogs. New negotiations. And soon the equipment arrived in Quimper and was put into operation.

In the meantime the "Gisofra" got other things to keep it busy. French businessmen were interested in Soviet aluminum-melting furnaces and techniques of preparing the world-renowned Moscow icecream, and the latest techniques of producing coke....

The General Director of the "Gisofra," J.-P. Lecueier, described its origins. This association was formed on the initiative of the French side in 1971. Its aim is to promote the development of trade between France and the USSR. The association includes three large nationalized banks: Credit Lyonnais, Societe Generale and Banque Nationale de Paris as well as Eurobank. The initiative was supported by the USSR Gosbank and the USSR Vneshtorgbank [Foreign Trade Bank].

J.-P. Lecueier said: "Don't think that we are a huge company. We have a small staff. What is more important is the tasks posed to the association. The "Gisofra" was formed at a time when France developed a positive balance of trade with the Soviet Union. The situation had to be equalized. It was then that our association, which relies on a network of 7,000 offices of four banks, had been organized with the object of promoting the imports of Soviet goods to the French market. Since then much has changed. In 10 years the volume of trade turnover between our countries has greatly multiplied. Since 1980 the balance of trade turned in favor of the USSR."

J.-P. Lecueier was in Moscow last October at the French National Exposition "Agroprom-82" [Agricultural Industry--1982].

The head of the "Gisofra" said: "It took 3 years to prepare that exposition. Hundreds of French companies and firms took part in it. We attach great importance to cooperation in the field of agriculture, to the solution of food problems."

E. Cresson, France's Minister of Agriculture, declared: "One of the chief impressions produced on me by numerous encounters with the Soviet people during the Exposition was that a great deal is being accomplished in the USSR to develop agricultural production and improve the quality of its output with the object of meeting consumer needs. There exist quite a few fields in which our countries can expand mutual cooperation. This meets the economic interests of France. The USSR is a vast market to which exports of French products can be increased. There is another side to the problem, too. France and the USSR have long-existing ties of friendship, mutual sympathy and cooperation. And we hope that these ties will develop further."

Among the West European countries France is the third largest trading partner of the USSR. Recently, however, in addition to the difficulties due to crisis phenomena in the country's economy, additional obstacles to the further development of trade and economic ties have arisen owing to other attendant factors. Thus, as the Paris LE MATIN observes, the French side has, under Washington's pressure, last year sharply raised the interest rates on loans granted to the Soviet Union for the acquisition of French goods--to 12.6% from 7.8 percent. In addition, NATO and "Common Market" countries have sharply tightened controls over the exports of so-called strategic goods, which include even certain foodstuffs and telephone equipment.

The American "embargo" on the shipments of equipment for the Soviet gas pipeline by West European companies, which lasted for about one and one-half years, also was intended to impair markedly the development of economic ties with the Soviet Union. Washington is exerting overt pressure on France, demanding a sharp curtailment of its trade and economic ties with the socialist countries. The French government has declared itself opposed to this course. Pointing

to the "historic tradition" of Soviet-French relations and supporting their further development, President F. Mitterand declared as follows in the interview he gave to the newspaper LE MONDE: "I'm against any form of economic blockade of Russia, and France will not discontinue its trade with that country."

The volume of trade turnover has also been affected, particularly in the last 2-3 years, by the sharp fluctuations, on the world free-currency market, of the prices of crude petroleum and petroleum products, as well as by inflationary phenomena. But, although preliminary figures indicate that the volume of Soviet-French trade last year was of roughly the same value as in 1980, J. Fevrier, the General Secretary of the French-Soviet Chamber of Commerce, pointed to the accomplishments scored. He said that, despite certain problems, the prospects can be assessed optimistically. In his opinion, on the basis of the agreements already concluded, the situation in 1983 will improve.

In recent months the number and level of business visits have risen. Moscow was visited by the ministers of agriculture, research, and industry, along with a number of important delegations. Several long-term large-scale agreements have been concluded.

J. Fevrier had headed a large delegation of business circles which toured the Soviet Union just before the new year. It included representatives of dozens of French firms and companies interested in expanding trade ties with the Soviet side.

According to J. Fevrier the French-Soviet Chamber of Commerce, which was established in 1977, has among its members more than 400 Soviet and French banks, enterprises and establishments.

M. Jobert, France's Minister of Foreign Trade, answered my questions by first discussing the large long-term contracts concluded between our countries last year. He recalled first of all the 25-year agreement, signed in January 1982, for deliveries of gas from the Soviet Union to France and shipments of French equipment for building the Urengoy-Uzhgorod Gas Pipeline. The implementation of this agreement will already in the immediate future provide jobs to tens of thousands of French workers, which is particularly important considering that mass unemployment in the country has reached record figures. As early as in 1984 France will begin to receive, via the new pipeline, Soviet gas in quantities set at 8 billion cu m annually. In December another important long-range agreement had been signed, this time concerning the participation of French firms, including the Teknip [transliterated] company, in building the Astrakhan' gas-condensate complex. France will supply 2.7 billion francs of equipment. Payment will be made in cash which dispenses with the problem of interest rates. The Teknip company already has experience in cooperating with the USSR: it had aided in developing the Orenburg gas complex.

Recently I had the occasion to visit Rouen, Calais, Boulogne and other French seaports [as published]. Everywhere merchant ships carrying the Soviet flag

could be seen. The representatives of business circles in these cities expressed satisfaction with the prospects for the further development of bilateral cooperation. Trade and economic ties between France and the USSR extend to many fields. Among Soviet deliveries an important place is occupied by petroleum and its products, timber, chemicals, motor vehicles, machine tools and agricultural machinery. France has concluded contracts for shipping to the USSR not only industrial equipment but also grain, meat, malt, sugar and other agricultural produce. The Soviet-French trade turnover for 1980-1982 amounted to 11.5 billion rubles, which is greater by a factor of 2.5 than the indicators attained during the first 3 years of the preceding five-year period.

Great importance here is being attached to the successful results of the 17th session of the mixed Soviet-French commission that had been held in Paris from 11 to 13 January. At that session, this permanent commission not only assessed what has been done so far but also outlined the main direction of trade-economic, scientific-technical and cultural cooperation until the end of this decade and in the longer run.

1386

CSO: 1825/14

TRADE WITH INDUSTRIALIZED COUNTRIES

JAPANESE BUSINESSMEN ASSESS TRADE PROSPECTS

Moscow APN DAILY REVIEW in English 28 Feb 83 pp 1-3

[Article by E. Rusakov: "To Mutual Advantage"]

[Text] In the past few days Japanese speech was heard more often than ever before in the International Trade Centre in Krasnaya Presnya. A Japanese delegation composed of more than 250 businessmen is visiting Moscow. The delegation includes the heads of leading Japanese businessmen's associations, presidents of the Chambers of Commerce and Industry of Tokyo, Osaka, Nagoya and other cities and heads of leading Japanese companies and banks, such as Mitsubishi syoji, Mitsui bussan, Hitachi, Nippon seitetsu, Sumitomo ginko and Sanwa ginko.

I talked with the head of the Japanese delegation, Shigeo Nagano, president of the Japan Chamber of Commerce and Industry. Mr Nagano has been chairman of the Japanese-Soviet committee on economic cooperation since its founding in 1965. Although he is in his eighties, Mr Nagano displayed truly youthful energy in preparing the delegation's trip.

"Japan has never sent such a big trade and economic delegation to a foreign country," he said. "We have a lot of problems to discuss: three and a half years have passed since the latest, eighth session of the Soviet-Japanese economic committee. Meanwhile, close commercial and economic relations between our two countries have a history of many decades. At the same time, for some members of our delegation this is the first visit to the Soviet Union. I think they have become convinced that the USSR is a reliable partner and that Soviet people are sincere and kind. On the whole, our contacts in Moscow these days can be compared to good seeds which will produce good shoots and rich fruit in trade and in strengthening good-neighbourly relations and mutual understanding between Japan and the USSR. I would like to use this opportunity and once again to thank through PRAVDA your country and the Soviet people for their hospitality and the opportunity given to us to discuss in a businesslike and constructive manner trade and economic relations between Japan and the Soviet Union."

Says Yukio Shibauma, president of Sumitomo: "First I would like to emphasize the existence of broad opportunities for mutually beneficial trade between Japan and the USSR. Our company concludes with the USSR each year deals worth

hundreds of millions of dollars. We are selling you steel pipes, machines and synthetic fibres and buying from you timber, coal and chemicals. We are actively participating in joint projects, such as the development of timber and coal resources in Siberia and the Far East and the prospecting for and supplying equipment to oil and gas deposits in the Sakhalin shelf."

"Personal contacts are very important in trade," Mr Shibauma went on. "We are now studying new possibilities. Sumitomo is planning to increase trade with the USSR so that its annual value surpasses 1,000 million dollars."

Shigeo Matsuda, president of Kyoho Tsusho, spoke enthusiastically with tremendous dash which seems alien to outwardly calm Japanese:

"Unfortunately, I must admit that relations between our countries are passing through times which are far from being the best, and the fault lies not with the Soviet Union. We are being told that the USSR is a potential adversary and that Japan must become an 'unsinkable aircraft carrier.' Washington is overzealous in such statements, as has been recently shown by the recent talks held in the USA between Japan's Prime Minister Nakasone and President Reagan. Intimidating Japan with a 'Soviet threat' the United States wants the turning of Japanese-American relations into a military alliance similar to NATO and an increase in Japan's military spending.

"I think that attempts to 'politicize' trade by putting up artificial barriers are inadmissible. Washington's interference in Japanese business contacts with your country cannot be tolerated. What is the USA's aim? To economically weaken Japan as the USA's serious trade rival. Imposing the increase of military expenses on Japan, Washington pursues the same aim. Because of 'sanctions' the positions of Japanese firms have weakened as compared with their Western European competitors. At a time when Japan and the whole Western world are experiencing grave economic difficulties and when protectionist trends are growing, such a situation is especially undesirable.

I believe that good-neighbourly relations would meet the interests of Japan and the USSR. To achieve this is an important objective and the expansion of our trade and economic links would be a major factor along this road. That is why our present meeting is of importance in the broader sense for our relations on the whole."

CSO: 1812/108

TRADE WITH INDUSTRIALIZED COUNTRIES

FRG HOLDS FIRST PLACE AS WESTERN TRADING PARTNER

Moscow MOSCOW NEWS in English No 6, 13-20 Feb 83 p 4

[Article by Nikolai Sergeyev: "Trade Partner Number One"]

[Text]

According to preliminary estimates, the total volume of trade between the USSR and the FRG in 1982 came close to 7,000 million roubles, 14-15 per cent greater than in the previous year. The FRG thus remains the USSR's leading trade partner among the industrialized capitalist countries.

In the past twelve months Soviet foreign trade organizations have maintained business contacts with more than 2,000 West German firms. A number of contracts, equally advantageous for both sides, have been signed. Cooperation continued on the "gas-pipes" project: the Mannesmann concern, for instance, filled the order for the delivery of 500,000 tons of large-diameter pipes to the USSR. Moreover, at the close of the year the West German company signed another two contracts for the delivery of 900,000 tons of such pipes in 1983, and in the early part of 1984. In December 1982, a contract was signed on the participation of West German firms in the purification of the natural gas extracted in the Caspian Sea area.

Last year, the range of Soviet products delivered to the

West German market was expanded. The Soviet Tekhnointorg company, for example, sold a trial consignment of portable TV sets to the FRG and delivered a consignment of TV picture tubes on orders of the Graf Strachwitz GmbH company.

Mutual trade in licences remained an important area of cooperation. In 1982 the Soviet Litsenzintorg association sold licences to the Seitz-Werke firm for the technology of production of sparkling wines, and to the Krupp concern, for the technology for the guniting of converters, a process used in ferrous metallurgy. For its part, the USSR bought from that concern the technical specifications on electric stoves for the Oskol iron-and-steel combine.

At present, the USSR and the FRG are discussing the prospects for joint work in oil and gas prospecting on the shelf of the Barents Sea, and also for the extraction of methyl alcohol and liquid fuel from coal and natural gas. Moreover, the Grunding firm has come forward with a proposal to participate in the construction of a factory in the USSR for the production of household appliances.

CSO: 1812/108

TRADE WITH LDC'S

TRADE WITH, PROGRESS OF SELECTED LDC'S REPORTED

Cuban-CEMA Trade

Moscow EKONOMICHESKAYA GAZETA in Russian No 1, Jan 83 p 20

[Article by N. Vlasov, "Harvest Time on the Island of Freedom"]

[Text] In January, the sugar cane harvest in Cuba spreads wider and wider. It is still too early to say what the current harvest season will be like. But in the 1981/82 growing year it was a record for the last decade: 8.2 million tons of raw sugar was obtained, as compared to the 7.3 million tons of the preceding year.

Constantly displaying enthusiasm for labor, and supported by the material and scientific-technical assistance of the USSR and the other countries of the socialist commonwealth, the workers of Cuba have achieved noteworthy successes in raising the level of cultivation and processing of this crop. A highly productive variety of cane, which is more resistant to fungus diseases, has been bred and introduced. And methods of setting out and cultivating the plantation are being improved.

There has been a significant increase in the level of the mechanization of harvest work. Whereas 25 per cent of the sugar cane was harvested by combines in 1975, in 1982 the amount was nearly 50 per cent. The productivity of labor of the macheteros (sugar cane cutters) and combine operators has grown. And all of this has permitted reducing the number of additional people recruited from other sectors of the national economy for harvesting the sugar cane. During the 1981/82 harvest season, the sugar cane was harvested with the effort of 110,000 cutters and 3,000 combine operators—the smallest work force in the entire history of the industry.

The sugar cane yield is constantly increasing. Whereas in 1975/76 it amounted to 44 tons per hectare, in the 1981/82 harvest season it came to more than 50 tons per hectare. By the end of the current five-year plan, the average yield of sugar cane in the country is expected to increase to 60 tons per hectare.

One of the chief factors in the progressive development of the sugar business in Cuba is the continuous capability for exporting Cuban sugar to the countries of the socialist commonwealth, independent of the fluctuations of the state of the

world market. During the 1976-80 Five-Year Plan, for example, the CEMA nations imported 64 percent of the sugar offered by Cuba on the foreign market, while the USSR itself accounted for more than 50 percent of this figure.

Naturally, the cane sugar industry represents the main direction of Cuba's specialization in the international socialist division of labor.

With the assistance of the fraternal nations of socialism, the material base for cultivating sugar cane is becoming stronger, and the capacity for processing sugar cane is increasing. Right now construction continues on a large group of new sugar refineries, which was commenced in the course of fulfilling Cuba's First Five Year Plan (1976-1980); at the same time, reconstruction and modernization of operating enterprises is under way. By 1985, it is planned to put no fewer than seven new plants into operation, to reconstruct 23, and to modernize another 18 such enterprises. The Soviet Union is rendering assistance to Cuba in erecting 11 new plants and in reconstructing 22 existing sugar plants.

All of the newly-erected plants are being built according to standard plans developed by Cuban specialists together with their colleagues from the CEMA nations. They have approximately equal capacity, which permits processing 6,900 tons of sugar cane each, per day.

At the same time the CEMA nations are rendering assistance to the Republic of Cuba in the development of manufacture of machinery and equipment for the enterprises of the sugar industry.

At the present time, production and assembly of the majority of the technological equipment for the sugar plants has been set up in the Cuban machine-building plants, which were constructed or redesigned basically with the help of the countries of the socialist commonwealth. Now about one-third of the equipment being installed in Cuba's new sugar plants is being supplied by the CEMA nations, and more than 60 per cent comes from Cuban enterprises.

The General Agreement on the Development of Sugar Production in the Republic of Cuba for the Period up to 1990, which was signed in 1981, has opened broad prospects for creative cooperation of the socialist countries in the leading sector of the Cuban national economy. In accordance with this agreement, the USSR, Bulgaria and the GDR will offer massive credits to Cuba, at preferential rates, for the development of this sector, which includes 423.5 million rubles for the years 1981-1985. In addition, they will supply this nation the necessary machinery, equipment, raw materials, and subsidiary materials, and will render the appropriate scientific and technical assistance.

Among the largest exporters of sugar cane in the world, Cuba is the only nation which confidently looks to the future of this sector of the national economy. The guarantee of such confidence is membership in the commonwealth of fraternal socialist nations.

Moscow EKONOMICHESKAYA GAZETA in Russian No 5, Jan 83 p 21

DPRK

The press of the Korean People's Democratic Republic reports that the growth of the basic economic indicators achieved in the country in 1982 has created good preconditions for fulfilling and overfulfilling the tasks for 1983, the penultimate year of the Second Seven-Year Plan (1978-1984).

Specifically, a number of large plants, enterprises and shops were put into operation in the past year. Among these was the start-up of the Pyongyang Auto Battery Plant, one of the largest industrial units, which was erected in the DPRK with the technical assistance of the Soviet Union on the basis of compensation. Upon introduction of full capacity the plant will annually provide 1,100,000 auto batteries. Also started up were the 14th and 15th power units, each with a capacity of 100,000 kilowatts, at the Pukchan thermal power station, the total capacity of which amounted to 1.5 million kilowatts.

In the republic, 9.5 million tons of grain was harvested. It is planned to put 300,000 hectares of salt marsh and 200,000 hectares of waste land into the agricultural turnover.

This year primary attention will be devoted to the development of the basic sectors of the national economy. Specifically, it is planned to concentrate efforts first of all on the mining and electric power industries, to support high growth rates in the chemical, metallurgical, machine-building and other sectors of the processing industry, and to achieve outstripping development of transport. In the area of development of non-ferrous metallurgy in particular, the goal has been set to bring production of non-ferrous metals in the next two to three years to a million tons, and to 1.5 million tons by the end of 1988; this will ensure meeting not only domestic needs for non-ferrous metals, but also increasing their export.

Further improvements will take place in methods for managing industry; there will be broad introduction of the latest achievements of science and technology; and a strict economy campaign for raw materials, fuel, materials and electrical energy. As indicated in the directives, the supervisory personnel in the economy must skilfully conduct economic-organizational work and implement production management in accordance with the plans of the party and the economic laws of socialism. The task has been set for further increasing agricultural production. Living accommodations are being built, and establishments and enterprises for cultural and domestic services are being erected. Further development of foreign economic ties is envisaged.

LPDR

The Lao People's Democratic Republic has entered the eighth year of its existence: In December 1975, the people of Laos, under the leadership of the LPRP [Lao People's Revolutionary Party], won their independence and the country entered the epoch of building socialism. During that time the gross national product has increased nearly one-and-a-half times, the national per capita income has increased by about 40 per cent, and productivity in agriculture and in the lumber industry has grown by a factor of 1.6.

Overcoming the difficulties of wartime destruction, the country set about implementing the tasks of the third year of the First Five Year Plan (1981-1985), which must be an important stage in the period of transition towards socialism. Its first-priority task is establishing an independent socialist economy for Laos.

The yet-incomplete statistical data published in the LPDR [Lao People's Democratic Republic] on the socio-economic development of the LPDR in the second year of the five-year plan indicate that from January through September of 1982, significant results were achieved in the country in the area of fulfilling the planned assignments. Major construction projects were especially successful. During three quarters appropriations were assimilated for construction in the amount of 3.65 billion kip, which is 31 per cent greater than during nine months of the preceding year.

In spite of unfavorable weather conditions, there was an increase in the rice yield, the harvest of which amounted to 1,080,000 tons in 1982. Completion of construction of a number of small and medium irrigation works permitted irrigating fields with a total area of 1,220 hectares.

Work is continuing in the country on further reorganization of agriculture on socialist principles. Right now there are nearly 1,770 agricultural cooperatives in the country, uniting nearly 70,000 peasant families.

The five-year plan envisages achieving rice production of up to 1,4 million tons a year. The total number of cattle should increase annually by 7 per cent, and hogs by 16 per cent.

Significant increase in the production of consumer goods is envisaged.

At the same time, the press notes that in spite of the successes, there are difficulties and unresolved problems in fulfilling certain planned indicators, and that realizing the course of the LPDR for gradual growth of the national industry will require overcoming quite a few complex problems.

The assistance of the fraternal socialist nations occupies an important place in realizing these national economic plans.

SFRY, Kampuchea

Moscow EKONOMICHESKAYA GAZETA in Russian No 6, Feb 83 p 21

Yugoslavia

[Text] The SFRY press reports that the past year, 1982, was one of the most serious for the Yugoslavian economic system. The situation was brought about not only by reasons of a domestic nature, but also by the negative effect of the economic and financial exchange crisis in the West on the republic's economy: growth of social production amounted to 0.3 per cent; volume of industrial production fell by 0.3 percent as compared to 1982; productivity of labor fell by 3.4 per cent; and export volume by 6.7 per cent. More favorable results were achieved in agriculture, the gross production of which increased by 6.9 per cent. According to data from the Union Statistical Administration of Yugoslavia, retail prices have increased by more than 30 per cent during the past year. And the real income of the population declined by 2.4 per cent.

The SFRY national economic plan and national budget for 1983 envisage continuing implementation of measures on economic stabilization, with maximum reliance on their own efforts. In accordance with the provisions of the plan, growth rate of production, increasing the country's exports and fulfilling its obligations to its foreign partners, as well as assuring the import of important goods required to satisfy the needs of the economy and the population, might be achieved on the basis of efficient utilization of native material and natural resources.

In the course of solving the national economic problems, completion of construction is envisaged for a number of power projects, capacities for mining coal, ferrous and non-ferrous metallurgy and chemical enterprises, development of rail transport, and an agro-industrial complex. Nearly 220 billion dinars has been allocated for these purposes.

In order to stabilize the economy, a significant decrease in consumption—nearly 10 per cent—is envisaged for 1983. Capital investments must be reduced by 20 per cent; and the volume of social production will increase by one per cent.

The problems of foreign debts are considered serious by the Yugoslavian press. It is noted that, in spite of a certain decline in the SFRY balance of payments deficit in recent years the nation's indebtedness nevertheless remains high, and amounts to nearly ten per cent of aggregate social production.

The plan for 1983 envisages measures on increasing employment, especially for young people. For the present year there are plans to find employment for 250,000 young specialists.

It is planned to increase aggregate exports of the SFRY by nine per cent, to include exports for convertible currency by 20 per cent.

Kampuchea

In 1982 the People's Republic of Kampuchea achieved new successes in restoration of the nation's economy, which was almost totally ruined by the Pol Pot clique. Agricultural production in the PRK, which is the basis of the economy, has achieved the level which permitted eliminating hunger, and has created the conditions for further successful development of the country. The rice harvest amounted to 1.7 million tons, which is 25 per cent greater than the harvest for 1981. The area under cultivation for supplementary food and industrial crops is being increased. The rubber tree plantations have been restored.

A number of measures are being taken on increasing production in animal husbandry. By mid-1982 there were 20 state farms in the country for breeding cattle and fowl.

Measures are being taken to restore industrial enterprises, with first priority given to those which serve the needs of agriculture. Attention is also being devoted to restoration and development of the textile industry, and transport.

After the 40 per cent increase in wages for workers and employees at state institutions and enterprises was granted in 1981, the financial situation improved for a significant portion of the workers.

The 4th KPRP [Kampuchean People's Revolutionary Party] Congress defined the present period of socio-economic development in the country as a transitional period on the way to establishing the basis for a socialist society. By 1985 it is planned to achieve a gross harvest of food crops of up to 2.5—2.8 million tons, which includes up to 2.3—2.5 million tons of unhusked rice. Increased production is also envisaged for industrial crops, for cotton, sugar cane and peanuts. In 1985 the fish harvest should amount to 100,000 tons as compared to 72,000 tons in 1982. The total number of cattle will be brought to 1.4—1.5 million head.

The task has been set for the nation's industry to facilitate in every way the development of agriculture. Further restoration is planned for enterprises which produce fertilizer. And production of consumer goods will increase.

The fraternal aid of the Soviet Union, Viet Nam and the other states of the socialist commonwealth is considered an important factor in the successful restoration and development of the nation's economy.

Algeria, Peru

Moscow EKONOMICHESKAYA GAZETA in Russian No 8, Feb 83 p 21

Algeria

[Text] The Democratic and Popular Republic of Algeria represents one of those developing countries with a socialist orientation, which has achieved significant success in the matter of establishing a national economy. There has been stable growth in the country's volume of production for a number of years.

According to preliminary official data, in 1982 gross output production in Algeria (not counting the petroleum industry) increased by 7.3 per cent over 1981. According to plans for 1983, the growth rate in the petroleum sector should increase to ten per cent. Volume of capital investment will amount to 105 billion Algerian dinars, which exceeds investment for 1982 by 25 per cent. One hundred sixty thousand new jobs will be created, which is approximately as much as in 1982. Production volume in the main sector of the Algerian economy—the petroleum industry—declined, as did petroleum export (approximately 30 million tons in 1982 versus 51 million in 1980). However, official Algerian circles, according to a report from Agence France-Presse, state that this was a deliberate change in policy, for the purpose of preserving the nation's petroleum wealth. In part, the reduction in receipts from petroleum export was compensated for by the increase in export of liquified natural gas. As a result the nation realized a small surplus in its balance of payments for 1982.

1982

In spite of measures for diversification of exports, receipts from the sale of petroleum still comprise, as before, the basis for the revenues part of the 1983 budget—about 60 billion Algerian dinars from a total sum of 98.7 billion. The budget has been balanced with respect to expenditures and receipts. In 1983 33.2 billion dinars have been allocated for industrial development, which includes more than 14 billion for the petroleum industry. One should note, however, that current instability of prices for petroleum on the world market creates quite a few problems for the development of Algeria.

On the positive side, one should also note the beginning of the process to free the nation from foreign debt.

Among the social measures of the government of the DPRA, it is fitting to take notice of the significant increase in the budget of funds for wages for workers in the government sector, to whose share falls 90 per cent of the nation's industrial production. With the current year's increase in social expenditures of 20 billion dinars, they will increase by almost a factor of two as compared to 1980.

Peru

Together with the other countries of Latin America, the Republic of Peru itself experienced the effects of the economic crisis in the West, last year. According to official data published in the Peruvian press, in 1982 growth in the GNP amounted to 1.4 per cent in all, as opposed to the previously predicted six per cent. Inflation, the level of which amounted to almost 73 per cent last year, remains an important problem in the economy. By the end of last year, the nation's foreign debt had reached 11 billion dollars.

Forecasts for the current year issued by the nation's Central Bank, reflect the condition of uncertainty common to nearly all developing nations. Evidence of this is given, for example, by the rather small growth planned for the GNP, 2.9 per cent. Increase of production in the processing industry, according to predictions, amounts to 0.3 per cent in all.

Higher growth rates are envisaged for the mining industry. In this, one of the main sectors of the Peruvian economy, they amount to about five per cent. But production of copper, for example, will be kept at the level for 1982. It is planned to increase petroleum extraction by 4.8 per cent, while almost half of this will be exported.

In another important sector of the national economy—agriculture—growth of three to four per cent is envisaged, under normal weather conditions. The harvest of the basic agricultural crop—rice—will increase by four per cent and will reach 450,000 tons.

Reduction of currency receipts from export of its traditional goods remains a serious problem for the Peruvian economy. Thus, although a three per cent increase is envisaged in sugar production, which will permit export of 100,000 tons of this product, the extremely low world prices for it which exist today will not permit receiving a significant return. The same applies to the sale of cotton as well, production of which Peru has been forced to reduce.

9006

CSO: 1825/25

TRADE WITH LDC'S

INDIA'S TRADE WITH CEMA, USSR SPOTLIGHTED

Moscow APN DAILY REVIEW in English 30 Dec 82 pp 1-2

[Text] Delhi, December 29. (TASS)--Indian-CMEA Trade exemplifies not only mutually profitable and fruitful relations. This is also a model of the new world economic order, whose worldwide introduction is hindered by the Western countries. This is how the Indian press comments on the statistics, released here, pertaining to trade between India and CMEA countries in the 1980-1981 fiscal year.

This trade stood at 27,780 million rupees both ways. The CMEA countries are the main supplies of machine-tools, equipment and chemicals, including fertilizers, to India. In its turn, India exports hundreds of types of goods, from carpets and jute products to electronics, to the CMEA area.

Economists here say that in the past 30 years since the signing of the first protocols on trade between India and CMEA countries, their mutual trade has gone up by 300 times. This growth of trade and economic ties became possible thanks to the stable and plan-based character of commerce between India and CMEA nations. This specific feature of their trade helps plan output and avoid unfavourable changes in the market situation that adversely affect economic matters.

The FINANCIAL EXPRESS, the organ of the Indian business community, says that even the most impressive statistics will fail to describe the importance India attaches to its ties with the socialist nations. The CMEA countries facilitate India's industrialisation and its economic restructuring by purchasing its traditional commodities such as tea, tobacco, cashew nuts, as well as manufactures, including heavy-industry products. The share of finished products in the CMEA countries' imports from India has grown from 20 per cent in the early 1970s to 60 per cent nowadays.

Particularly important for India, the FINANCIAL EXPRESS indicates, is trade with the Soviet Union, its leading commercial partner.

CSO: 1812/109

GENERAL

ROLE OF SOVIET TECHNICAL CENTERS ABROAD OUTLINED

Moscow FOREIGN TRADE in English No 11, Nov 82 pp 24-25, 38

[Article by Boris Kalinin, chief of Technical Department, Main Department of Export of Transport, Road-building and Agricultural Machinery, Ministry of Foreign Trade of the USSR]

[Text]

Vehicles, tractors, agricultural machinery, metal-cutting and woodworking machine tools, unique programmed control machine tools, great capacity power engineering installations, diesel locomotives, aviation equipment and other machinery, exported by the Soviet Union, are well known in the world for their high productivity and reliability in operation.

The manufacturing factories' concern for machinery and equipment does not stop after their delivery abroad. A well-thought-out system for rendering services to the customer has been developed and is functioning. Technical centres for rendering assistance in maintenance of machinery, equipment and various facilities supplied by the Soviet Union occupy an important place in this system.

At present over thirty Soviet technical centres operate in Bulgaria, Hungary, the GDR, the Republic of Cuba, Mongolia, Poland and Czechoslovakia. For example, Bulgaria and Mongolia have technical centres for assisting the maintenance of tractors and agricultural machinery exported by Traktoroexport and a technical centre conducting similar work this time for the vehicle facilities supplied by Avtoexport; in Bulgaria and Czechoslovakia

technical centres are available for assisting the maintenance of road-building machinery, excavators and truck loaders supplied by Traktoroexport and Machinoexport; Czechoslovakia has a technical centre assisting the maintenance of machinery and equipment supplied by Techmashexport; Poland has a technical centre assisting the maintenance of machine tools, instruments, devices and other products supplied by Stankoimport; the GDR has a technical centre assisting the maintenance of computers, office mechanization facilities and other items supplied by Electronorgtechnika.

Soviet technical centres are being constructed in Hungary, Mongolia and the Republic of Cuba.

Technical centres are a principally new form of cooperation between buyer and seller for organizing maintenance of machines and assuring their effective utilization.

By setting up technical centres abroad the Soviet Union's foreign trade organizations and factories manufacturing machinery and equipment help achieve the main aim—render the maximum possible assistance to service organizations in the countries importing Soviet machinery to assure reliable, economical and efficient oper-

ation of the purchased machinery and equipment.

Soviet technical centres are a complex of specially outfitted premises. Lecture auditoriums, equipped with measuring devices, stands, acting schemes make it possible to check technical parameters, correctly adjust mechanisms and eliminate faults.

Thanks to the technical centres' up-to-date equipment and highly-skilled Soviet specialists having experience in manufacturing and operating the machinery it is possible to train local specialists at a high level, perfect and improve the skill of engineers and technicians, leaders and organizers of technical servicing.

Technical centres for assisting the maintenance of machinery, equipment, instruments and other items set up under the USSR Trade Representations in the CMEA member-countries have accomplished considerable work. In the period of the technical centres' activities maintenance of machinery, equipment and instruments exported by the USSR has markedly improved.

Business contacts of the Soviet Union's industrial ministries with the CMEA member-countries' organizations and enterprises operating Soviet machinery have expanded. The chief engineers of the technical centres are representatives of the branch supplying ministries. Soviet specialists working at the technical centres maintain permanent contacts with their respective factories on questions concerned with deliveries of spare parts, examine customers' complaints and proposals.

The activity of the Soviet technical centres in the CMEA member-countries is positively evaluated by these countries' organizations. The technical centres render great assistance in assuring the efficient use of vehicles,

tractors, agricultural, road and building machinery in the most tense periods of work at major construction sites and projects.

At the beginning of each agricultural season (sowing and harvesting times) technical centres, according to the co-ordinated plans, send their specialists to render aid in the preparation of machinery, assist in their maintenance and repair. A great stress is placed on the training of national personnel, on demonstrating the most efficient methods of work, on providing machinery reliable in operation, on reducing idle time, on quickly restoring the serviceability of machinery which failed because of a technical fault.

Experience of the Soviet technical centres' activity in Bulgaria, Hungary, the German Democratic Republic, Mongolia, Poland and Czechoslovakia shows that machinery idle time is being minimized thanks to Soviet specialists' organized aid and the joint work. For example, on average a tractor's idle time in 1976 in Bulgaria in the most tense period of work (a harvesting campaign) due to a technical fault was 15-20 days and in 1980—only 2.72 days.

In Cuba during 1.5 years over 4,000 young specialists have been trained who now successfully work at automobile repair and service stations, in agriculture and at factories. All in all over the period of the technical centres functioning (1976-1981) in the CMEA member-countries about 90 thousand local specialists have been trained.

With Soviet specialists' assistance the demands of the enterprises for spare parts are being determined and orders placed.

The practice of the technical centres' activity showed that as a result of the joint work with the CMEA member-countries' enterprises the organization of maintenance was improved; the skill of specialists working at the bases and at service stations in agricultural areas have been enhanced.

Thanks to the training of a great number of local specialists in most varied trades, the failure of machinery due to violations of operation instructions was considerably reduced as also the standing time of machinery awaiting repair at the bases, at service stations, in workshops and at construction sites has greatly decreased.

Taking into account that requirements for machinery and equipment change with time Soviet technical centres constantly evaluate the customers'

opinions and demands. Contact is established with the producer's design bureaus to which information and proposals are being regularly sent for them to be taken into consideration when modernizing or creating new designs of machines.

Technical centres now participate in testing new machines placed on the export market for the first time. All comments and remarks on the test results are thoroughly analyzed and sent to the producers.

Soviet technical centres are gaining experience and expanding the scope of their activity while striving to more fully satisfy the customers' demands.

In May 1981 a meeting of the heads of the technical centres was held in Moscow. They discussed in detail the results of the past work and the further trends of their activity.

The numerous positive comments received from leaders of the CMEA member-countries' organizations importing Soviet-made machinery and equipment are indicative of the usefulness and need of the great work carried out by the Soviet technical centres.

The creation of the technical centres has significantly raised work effectiveness in rendering assistance to the CMEA member-countries in organizing technical services and utilization of Soviet machinery.

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GENERAL

SOVIET CHAMBER OF COMMERCE HAS MANY FACETS

Moscow SOVIET EXPORT in English No 4(139), 1982 pp 12-13

[Text]

The Chamber of Commerce and Industry of the USSR was established half a century ago, at the time of major efforts to boost the effectiveness of the country's foreign trade and improve the organisation and techniques of foreign trade operations. In 1930, twenty All-Union foreign trade associations were given the job of handling all Soviet export and import transactions. Two years later, the All-Union Chamber of Commerce (VTP) was set up.

From the very outset, it helped establish business contacts between Soviet foreign trade organisations and foreign firms, arranged expert examinations of goods, discharged foreign trade and maritime arbitration duties.

With time, the chamber's functions diversified. At the end of the 1930s, a special department was set up to patent foreign inventions in the USSR and Soviet inventions abroad. Arranging and conducting Soviet exhibitions abroad became one of the chamber's most important functions. And, indeed, the Soviet Union regularly participated in international fairs and exhibitions held in Leipzig, Paris, Lyons, Milan. Its displays at the World Fairs in Paris (1937) and New York (1939) were a great success.

In post-war years, the USSR's foreign trade turnover grew at a rapid pace, and the number of our trade partners kept increasing. Whereas in 1946 the Soviet Union did business with 39 countries, and its foreign trade turnover constituted about 1,300 million roubles, twenty years later the figures were already 98 and 15,000 million, respectively. In 1981, we did about 110,000 million roubles' worth of foreign trade with 142 countries.

This growth became possible thanks to the enormous changes which had taken place in our national economy over the decades. As

a result, the USSR became a major industrialised power, leading the world in many branches of science and engineering and in the output of a number of key products.

Today, the USSR's foreign trade is a complex dynamic system which actively interacts with the national economy as a whole. The Soviet state places strong emphasis on expanding economic, scientific

and technical contacts with foreign countries—socialist countries, above all, and seeks to make rational use of the opportunities offered by mutually beneficial international division of labour.

Qualitative changes in Soviet foreign economic relations entailed a further expansion of the chamber's activities and a change in its organisational structure. The chamber established and steadily broadened contacts with its counterparts abroad, helped to arrange contacts between Soviet foreign trade associations and foreign contractors, received delegations of foreign businessmen and industrialists and sent Soviet delegations abroad, and organised Soviet exhibitions abroad on an ever broader scale. The chamber was becoming, to an increasing extent, a connecting link between foreign trade and industrial enterprises which produced for export and employed imported equipment. Hundreds of enterprises—members of the chamber—manufactured export goods and contributed their products to Soviet exhibitions abroad.

The chamber was the country's only patent attorney which did all the work involved in the patent coverage of Soviet export goods.

The chamber expanded its information and advertising activities, rendered its clients translation services; the chamber's arbitration commissions won high international prestige. As the years wore on, the chamber assumed a new function: that of arranging foreign expositions—and, later, international branch and specialised exhibitions—in the Soviet Union.

Chambers of commerce and industry were set up in the Soviet Union's constituent republics. And in the biggest, the RSFSR, seven branches of the chamber were established.

In 1972, the All-Union Chamber of Commerce was renamed the Chamber of Commerce and Industry of the USSR (TPP). In 1974, the TPP adopted, at its extraordinary congress, its present statute under which the congress, the council and the presidium of the chamber are its supreme administrative bodies.

Since then, the number of the full members of the chamber has grown considerably. By 1982, there were 4,225, including 2,598 industrial enterprises, 428 research institutes and design offices, 827 foreign trade organisations, 120 building and transport organisations, 178 health and cultural institutions, etc.

At present, the TPP maintains stable business contacts with chambers of commerce and similar organisations in more than 80 countries. It co-operates with 50 of those bodies on a contractual basis as well as in the form of setting up joint trade promotion committees or mixed chambers.

The Chamber of Commerce and Industry of the USSR invites and receives foreign trade and economic delegations and individual businessmen from various countries with a view to expanding foreign contacts. Last year, for instance, the chamber played host to more than 2,000 businessmen from 50 countries.

The Chamber of Commerce and Industry of the USSR has established, and is developing contacts with a number of international trade and economic organisations: the International Chamber of Commerce, the UNCTAD/GATT International Trade Centre, the UNCTAD Secretariat, the International Bureau of Exhibitions, the Union of International Fairs, etc.

A centre for international trade and scientific and technical contacts with foreign countries has been built in Moscow to promote further development and improvement of foreign economic relations and to meet the requirements of Soviet foreign trade organisations and their partners abroad more promptly. The centre is run by the All-Union foreign trade association Sovincetr, set up in 1979 as part of the Chamber of Commerce and Industry of the USSR. The centre renders practical assistance to foreign trade missions, firms, banks and other organisations in establishing business contacts with representatives of Soviet foreign trade, in studying the Soviet market, and in getting business, economic and other information of interest to them.

The arrangement of exhibitions in the Soviet Union and abroad has become common practice of late. In 1976—1980, as many as 160 Soviet expositions were held in 55 countries under the auspices of the Chamber of Commerce and Industry of the USSR. The best Soviet exhibits won 342 gold medals over the period. A total of 30,000 million roubles' worth of contracts were signed at these exhibitions. This year's exhibition programme is extensive, too. A Soviet national exhibition is to be held in Düsseldorf (FRG), and there will be Soviet expositions in the GDR, Poland, Yugoslavia, Algeria, Turkey and elsewhere, with the total running up to about 30.

The arrangement of foreign exhibitions in the Soviet Union is regarded as a matter of great importance. In fact, about 200 are held here every year. In 1976—1980, the chamber organised 1,065 exhibitions—including 85 international ones—in 55 cities of the USSR, with more than 22,000 firms and organisations from 41 countries taking part, and with Soviet foreign trade organisations signing over 5,400 million roubles' worth of contracts.

Our motto is: through exhibitions to trade. For an exhibitor can well become an active and regular partner of Soviet foreign trade organisations. And that has indeed been the case for many firms who participated in exhibitions held in this country.

A few words about the patent work of the Chamber of Commerce and Industry of the USSR. The chamber now renders its services to 3,500 Soviet enterprises and research organisations patenting their inventions in 60 countries. Nearly 3,500 patent applications for Soviet inventions and those for trademark registration are sent abroad through the chamber annually.

The flow of patents for foreign inventions registered in the USSR has increased, too. In 1981, the chamber sent 2,634 patent claims from firms in 41 countries to the State Committee of the USSR for Inventions and Discoveries; and 1,790 patents and 95 inventor's certificates were granted. More than 21,000 Soviet inventions are covered by patents abroad; in turn, the USSR has granted about 12,000 patents to foreign firms.

A considerable growth in machinery, equipment and consumer goods trade has led to a sharp increase in the volume of import quality and quantity inspection. The chamber, at the request of Soviet organisations and foreign firms, carries out expert examinations of more than 1.5 million goods annually. In 1981, for instance, it met 100 such requests from firms and organisations in Italy, Spain, France, the FRG, Japan and other countries.

Over the past few years the scope of information activities has grown considerably, and its quality improved. This is largely due to the information department set up in the framework of the Chamber of Commerce and Industry of the USSR. The department issues periodical publications such as Information Bulletin of the Chamber of Commerce and Industry of the USSR, News Bulletin of the Chamber of Commerce and Industry of the USSR, International and Foreign Exhibitions in the USSR, Information Bulletins of the Goods Superintendence Department, booklets, and many others.

The chambers of socialist countries have jointly brought out the eleven-volume Handbook of Foreign Trade of the CMEA Member-States and Yugoslavia. The Chamber of Commerce and Industry of the USSR has published a reference-book entitled The Economy and Foreign Economic Relations of the USSR.

Extensive information work is done at Soviet exhibitions abroad.

The Chamber of Commerce and Industry of the USSR maintains an ever broader co-operation in the field of information with various state and public organisations of the USSR, with chambers of commerce, international organisations and business associations of many countries.

The volume of translations of foreign trade and business document and scientific-technical texts, done by the chamber at Soviet and foreign organisations' requests, has increased markedly of late. Last year it amounted to 45,000 signatures as against 10,000 in 1961. This form of service, rendered by the chamber, has won high acclaim both in the USSR and abroad. Requests for translations come in regularly from dozens of Belgian, British, West German, Finnish, Swiss, Japanese and other firms.

Functioning under the Chamber of Commerce and Industry of the USSR are the Foreign Trade and Maritime Arbitration Commissions, as well as the Bureau of Average Adjusters which look into disputes between Soviet economic organisations, on the one hand, and foreign organisations and firms, on the other. These commissions examined more than 5,500 cases over the last fifty years.

Coming under the competence of the arbitration commissions and the bureau of average adjusters are practically all the disputes that arise in the course of implementing the agreements and contracts pertaining to foreign trade, economic, scientific and technical co-operation, merchant shipping, marine and river navigation. Soviet arbitration commissions enjoy an ever greater prestige in international business circles.

The arbitration commissions and the bureau of average adjusters send their representatives to international forums: the International Congress of Maritime Arbitrators, the International Council for Commercial Arbitration, conferences of representatives from arbitration courts and commissions of the CMEA member-states, and to regular bilateral meetings with representatives from socialist countries' courts of arbitration.

The many-faceted activities of the Chamber of Commerce and Industry of the USSR, an organisation which has accumulated rich experience in its field, help to solve the important, key problems facing Soviet foreign trade, promote further development of the Soviet Union's economic, industrial, scientific and technical co-operation with other countries and contribute towards the fullest possible utilisation of the advantages offered by international division of labour.